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Continuing Reports on G-7 Meeting in Halifax

'Hope' for Active PRC Role

OW1506143295 Tokyo KYODO in English 1401 GMT 15 Jun 95

[FBIS Transcribed Text] Halifax, Canada, June 15 KYODO — The leaders of the group of seven (G-7) economic powers are expected to express their hope that China play an active role in stabilizing the global community, Japanese Government officials said Thursday.

The officials accompanying Prime Minister Tomiichi Murayama said the China issue will be one of the key items on the agenda at the G-7 summit meetings on world politics to be held Friday and Saturday, as European and U.S. leaders are concerned about China's policies on human rights and disarmament.

The G-7's hopes will be expressed in remarks to be made by Canadian Prime Minister Jean Chretien, who chairs the G-7 meetings, on Saturday, to wrap up discussions at the summit meetings, the officials said.

The G-7 nations group the United States, Japan, Canada, Germany, France, Italy and Britain.

The officials said, "the G-7 leaders have strong interest in Asian nations, which are marking high economic growth. It is essential for China to enhance dialogue with the G-7 nations."

Murayama Seeks Action on Chechnya

OW1606065995 Tokyo KYODO in English 0542 GMT 16 Jun 95

[FBIS Transcribed Text] Halifax, Canada, June 15 KYODO — Japan's Prime Minister Tomiichi Murayama said Thursday the Group of Seven (G-7) major economic powers should make a coordinated effort to seek Russia's peaceful resolution of the conflict in its breakaway republic of Chechnya, Japanese officials said.

Speaking at a working dinner at the G-7 summit, he also cited the need for the G-7 countries of Britain, Canada, France, Germany, Italy, Japan and the United States to signal their support for Russia's political and economic reforms, the officials said.

The Japanese premier's remarks are apparently intended to persuade leaders of the G-7 nations to act as one when meeting Russian President Boris Yeltsin in political discussions Saturday.

Leaders To Urge More IMF Financing

OW1606081295 Tokyo KYODO in English 0341 GMT 16 Jun 95

[By William Mallard]

[FBIS Transcribed Text] Halifax, Canada, June 15 KYODO — Group of Seven (G-7) leaders are set to call for increasing international financing through the International Monetary Fund (IMF), a Japanese Finance Ministry official said Thursday.

There was no disagreement among the seven finance ministers over expanding the IMF's general agreement to borrow when they gathered for a working dinner to lay the groundwork for Friday's closely watched G-7 economic communique, the official said on condition of anonymity.

There were "differences of nuance over the degree of positiveness" toward the idea and work remains over the scale of increase and other details, he said.

The ministers discussed currency rates, the official said, but he declined further comment because "there are some delicate areas and I don't want to say anything misleading."

But he said Japanese Finance Minister Masayoshi Takemura expressed "concern that the high yen could cause adverse effects on the Japanese economy," which the minister described with the usual phrase as being in "a moderate recovery."

Takemura explained details of measures taken to date to stimulate the Japanese economy, such as this fiscal year's 6 trillion yen in tax cuts, deregulation and expediting public works spending, the Finance Ministry official said.

The minister mentioned further implementation of steps already decided but did not touch on any possible fresh measures, the official said.

Asked if other finance ministers had pressed Japan for more steps to boost the Japanese economy, the official said each nation explained its own fiscal and monetary policies.

NAM Urges Reduction in Debt of Poor Countries

BK1606064495 Jakarta ANTARA in Indonesian 1744 GMT 14 Jun 95

[FBIS Translated Text] Jakarta, 14 Jun (ANTARA) — President Suharto in his capacity as chairman of the Nonaligned Movement [NAM] has sent a message to Canadian Prime Minister Jean Chretien as chairman of the G-7 [Group of Seven]. In the message, the NAM chairman demands that the debts of the poorest countries be reduced "once and for all" [preceding four words in English].

According to a press release of the State Secretariat obtained by ANTARA in Jakarta on Wednesday, leaders of the major industrialized countries will, hopefully, consider the NAM chairman's message during the G-7 summit in Halifax, Canada.

The president said that the IMF's gold reserve and other means should be seriously considered as means of reducing the multilateral debts.

He added that the main players in Bretton Woods (the World Bank and IMF) should refrain from using the institutions to achieve various objectives.

If the measures are undertaken, the mission of the institutions will become unclear as there will be too many objectives and an ambiguous loan pattern, he said.

"Thus, there is a very clear need for the institutions to reconcentrate on their priorities," the president said.

The head of state attached paramount importance to a comprehensive study into the prevailing international economic system and the current roles of the Bretton Woods institutions.

A study by only the G-7 would be ineffective. Thus, a representative intergovernmental study by all relevant parties on a democratic basis will be necessary.

"The roles and responsibilities of the Bretton Woods institutions and regional banks should be comprehensively studied within the UN framework," he said.

The president said that the GNP of developing countries has increased sharply due to the adoption of the purchasing power parity.

There have been various anxieties on the environment. Relations between stock exchanges in developed and developing countries have been stronger.

"The new realities must be taken into account in the intergovernmental study and the restructuring of the voting rights in the institutions," he said.

The president added that an effective, truly symmetrical multilateral monitoring system should be urgently created for the world economy.

He said that the indebted developing countries have got used to the prevailing multilateral monitoring system, while the G-7 should show their statemanship by fully accepting the truly symmetrical multilateral monitoring system and willingly coordinating their fiscal and monetary policies.

The truly symmetrical multilateral monitoring system will be necessary because their policies have brought about serious global consequences for exchange and interest rates and the flow of international capital, with developing countries in particular being the hardest hit, the president added.

APEC Members Divided on Open-Sky Policy

BK1606065295 Kuala Lumpur BERITA HARIAN in Malay 15 Jun 95 p 1

[FBIS Translated Text] Washington, Wednesday — Several APEC [Asia Pacific Economic Cooperation] members have rejected the open-sky policy proposed by the more developed APEC members to achieve a more liberal aviation industry in the region.

Datuk Abdul Majid Mohamed, Malaysian ambassador to the United States, who represented Malaysia at the two-day meeting of APEC transport ministers, said here that the proposal was based on the current market opportunities.

Without naming any countries, Majid said that the less developed countries within the 18-member group will not be able to compete with the more developed ones in aviation.

Transport Minister Datuk Sri Dr. Ling Liong Sik did not attend the first meeting.

A Malaysian official in the meeting said that several countries like Malaysia, Japan, China, and the Philippines wanted a more cautious move toward openness in the transportation sector, while such countries as the United States, New Zealand, and Singapore immediately wanted an open aviation industry.

U.S. Transport Secretary Frederico Pena said during a joint news conference at the meeting that the ministers had held talks on openness, primarily in the aviation industry.

"We disagree about taking a certain step toward this end, but we all know that we need to achieve this end. We will be looking at the current alternatives," he said.

ASEAN on Brand-to-Brand Auto Parts Scheme

BK1006131295 Bangkok BANGKOK POST in English 10 Jun 95 p 24

[FBIS Transcribed Text] ASEAN senior economic officials will be asked at their meeting today in Jakarta to endorse the retention of the brand-to-brand complementation [BBC] scheme for auto parts until 2003 in the interest of mutual benefits for member states.

The recommendation comes from the ASEAN Working Group on Industrial Cooperation [WGIC], which includes officials of member governments along with private-sector observers.

Officials from Thailand's Industry Ministry, the Board of Investment [BoI], the Federation of Thai Industries and executives from Toyota, Mitsubishi, Volvo and Renault participated in the recent WGIC meeting.

BoI Assistant Secretary-General Chakkramon Phasukwanit, said the BBC plan should continue until tariff reductions under the ASEAN Free Trade Area [AFTA] take full effect. Under AFTA, tariffs on manufactured goods are scheduled to be reduced to between zero and five per cent by 2003.

The WGIC recommendation appears at odds with a resolution passed by ASEAN economic ministers in April. They called for a phase-out of BBC with existing ventures or projects allowed to go ahead but new ones prohibited.

The BBC scheme was introduced to promote the trade of parts among auto companies in Thailand, Malaysia, the Philippines and Indonesia. Participating countries enjoy a 50 percent tax reduction on imports of completely knocked-down kits.

Anuphap Tiralap of the Thai land Development Research Institute suggested it was a good idea to gradually phase out BBC to be compatible with lower AFTA tariffs.

But the scheme should be allowed to continue for a while because it works well and satisfies the needs of automobile companies in ASEAN, he said.

ASEAN To Draft Intellectual Property Plan

BK1406050095 Bangkok BANGKOK POST in English 14 Jun 95 p 16

[FBIS Transcribed Text] ASEAN plans to map out a master plan for intellectual property cooperation in a move aimed partly at paving the way for non-ASEAN members in the region to participate as well.

The Intellectual Property Department (IPD) recently hosted the fourth meeting of the ASEAN working committee on intellectual property cooperation in Chiang Mai. Officials from Vietnam attended the meeting as observers.

Director General Suchai Chaowisit said cooperation on intellectual property will include reaching agreements on trade marks, copyrights and information centers and building up a regional information network.

He said non-ASEAN members should also cooperate with ASEAN in areas, such as human resource development.

Mr Suchai said decisions made at the Chiang Mai meeting will be submitted to ASEAN's senior economic ministers for consideration.

Speaking about intellectual property violations in Thailand, a source at the Coordinating Center for Prevention and Suppression of Intellectual Property Violation said the IPD and the Police Department's Economic Crime Investigation Division recently arrested two violators during a search of computer software shops in Phanthip Trade Center.

Japan

Murayama, Clinton Jointly Issue 'Common Agenda'

OW1606004295 Tokyo KYODO in English 0001 GMT 15 Jun 95

[FBIS Transcribed Text] Halifax, Canada, June 15 KYODO — The Japanese and U.S. Governments Thursday [15 June] unveiled a joint report on their efforts to tackle issues of global concern as part of their "common agenda."

The report, released after a meeting between Japanese Prime Minister Tomiichi Murayama and U.S. President Bill Clinton, spelled out a series of achievements Tokyo and Washington have made for the last six months.

They include efforts on natural disaster prevention, population and AIDS, and children's health, said the report submitted to Murayama and Clinton.

Japan and the United States have promoted cooperation in helping settle problems facing the world such as the environment, drugs and state-of-the-art technology for the past two years under a bilateral framework accord.

The report shows the areas in which the two countries have made fresh progress since Murayama and Clinton met in Washington in January.

On natural disaster prevention, the joint report cited as an example of accomplishments wider bilateral cooperation following the Jan. 17 great Hanshin earthquake in western Japan, which killed more than 5,500 people.

Murayama Speech at News Conference With Clinton

OW1506235095 Tokyo NHK General Television Network in Japanese 1945 GMT 15 Jun 95

[Statement read by Prime Minister Tomiichi Murayama at a joint news conference with U.S. President Bill Clinton at the Dalhousie University Hall in Halifax, Canada on 15 June — live]

[FBIS Translated Text] Only a short while ago, President Clinton and I held a long meeting during which we frankly exchanged our views on such matters as the current state of our bilateral relationship and outlook for the future, as well as our attitude toward the summit. I think it was a very meaningful one. With the passing of 50 years since the end of World War II, the relationship between Japan and the United States has been held together by strong bonds of cooperation and harmony.

President Clinton and I have confirmed that steady progress is being made concerning the security dialogue between our two nations. With President Clinton's cooperation, important progress has been seen regarding issues related to U.S. military bases on Okinawa. In regard to the issue of the DPRK's suspected development of nuclear weapons, we have given appraisal to the fact that cooperation among Japan, the United States, and the ROK has brought about valuable results. Our common agenda of cooperation based on a global viewpoint is a symbol of the comprehensive Japanese-U.S. partnership. Today, we received a joint report that includes coverage of new areas. President Clinton and I believe that we should further promote such cooperative relations.

We also talked about issues concerning automobiles and civil aviation. We agreed that although there still are differences in our positions, we will pour our utmost efforts toward resolving the issues as swiftly as possible via negotiations next week in Geneva. Since President Clinton mentioned the subject, I have a few words to say. Since unilateral steps run contrary to the rules and spirit of the WTO, I asked him to retract the measures promptly. In this regard, President Clinton and I agreed that these issues, including the one over civil aviation, should not be allowed to adversely affect the Japanese-U.S. relationship, as this relationship, in relative terms, is very important.

The Japanese Government intends to invite President Clinton and his wife to visit in November as state guests. I consider my latest meeting with President Clinton a turning point between my first meeting with him last January and his planned visit to Japan in November. I am determined to further strengthen the Japanese-U.S. partnership, in view of the president's visit to Japan as well as in looking forward to the future.

In closing, I would like to mention that President Clinton backed my proposal for holding a Japanese-U.S. experts' symposium on earthquakes so that we could take advantage of our experiences and lessons that we, as peoples who recently experienced great disasters like the great Hanshin earthquake and the Northridge earthquake, have acquired. That is all.

Murayama Answers Queries on DPRK, Auto Talks

OW1606005395 Tokyo NHK General Television Network in Japanese 1949 GMT 16 June 95

[Joint news conference by Japanese Prime Minister Tomiichi Murayama and U.S. President Bill Clinton with foreign and domestic correspondents at Dalhousie University Hall in Halifax, Canada — live]

[FBIS Translated Excerpt] [passage omitted] [Reporter] I would like to ask about the issue of North Korea. It seems that there was disarray between Japan, the

United States, and South Korea before an agreement was reached between the United States and North Korea in Kuala Lumpur. I want to ask how coordinated action and cooperation between Japan, the United States, and South Korea will be sustained; how Japan will extend its cooperation in settling the issue, including financial cooperation in supplying light water reactors; and when a decision on Japan's cooperation will be made?

[Murayama] You asked about the issue of North Korea. As the President said earlier, we discussed it in various respects. After persistently continuing very difficult talks in Malaysia, the United States finally came to hold a joint news conference with North Korea. Japan rates this effort highly. In the meantime, there probably was some disarray between the three nations. However, since the agreement between the United States and North Korea is a blend of deep consultations and close cooperation between Japan, the United States, and South Korea, Japan, for its part, intends to actively promote cooperation among the three nations. On how much each nation will bear and on the timing of such a decision, we have to put the finishing touches on this now. Therefore, the President and I agreed that Japan, the United States, and South Korea will try to finally settle the issue through close cooperation to the end.

[Reporter] Mr. President, what if the 28 June deadline arrives? Will the issue develop into a trade war aimed at securing employment in the United States?

[Clinton] I hope that will not happen. We are studying various measures to avoid that. I think we are on the right track.

[Reporter] Did Prime Minister Murayama have a specific response?

[Clinton] No, he did not discuss specific matters. He and I promised each other to make utmost efforts to find ways to settle the issue before the 28 June deadline. [passage omitted]

[Murayama] The President referred to a 28 June deadline in the talks. Then I told him that I recognize 28 June is a deadline under Article 301. This is a matter of U.S. civil law. I clearly told him that, for its part, Japan does not recognize auto sector negotiations as talks held under Article 301. What is important is that the issue should not be discussed with us shaking our fists at each other. I suggested to him that we discuss the matter in good faith and make all-out efforts to settle the issue through dialogue. I also proposed to him that we do our utmost to reach a conclusion that can win the understanding of the international community because vice minister-level talks are scheduled to be held in Geneva 22-23 June.

[Reporter] I would like to ask the same question of the prime minister and the President. On the auto issue, I wonder if the two of you have intentions of settling the issue by going so far as stepping out of your conventional positions, and whether such a possibility was discussed today.

[Murayama] Well, that is a matter of discussion. If both sides stick to their own principles, the issue cannot be solved. There is no other way to settle the issue than by making mutual concessions. Therefore, we have to compromise on what we can. Then, we will seek a way to settle the issue in the end through dialogue. He and I agreed to make all-out efforts in this regard.

[Passage omitted] [Reporter] Mr. President, in your opening statement, you said the Japan-U.S. security system has been enhanced. But there is a view that Japan-U.S. relations will get worse due to a trade war between Japan and the United States. What do you think of it?

[Clinton] That is why the prime minister and I made a common commitment to prevent bilateral relations being damaged by the trade dispute. In the past two years, 15 agreements were reached; although we have a lot of trade issues, we could come agreement in 15 areas. The fact that Japan, the United States, and South Korea are taking concerted action in dealing with the issue of North Korea is very important for the people in Japan and the United States, as well as the people living in Asia and North Asia. Are used for terrorist attacks, such as biological weapons. [sentence as heard] And the possibility of being exposed to such a crisis has grown. Both Japan and the United States have a great responsibility to the world to deal with many issues, such as environmental protection and AIDS eradication. Since we are faced with these issues, we have to maintain close relations. We confirmed that we should not impair a strong bilateral friendship and relations even if there is a difference of views in a certain area. This is also very significant for the people of the world.

[Murayama] I have nothing to add to what the President said. I share a common view and understand how Japan-U.S. cooperative relations play an important role in promoting economy and peace, not only in the Asia-Pacific region but also throughout the world. In this sense, he and I confirmed our stand to cooperate closely and contribute to solving such global issues as the President just mentioned.

[Reporter] I would like to ask about the auto issue again. I think one of main points of conflict in the auto talks is whether or not Japan should expand its voluntary purchase plan. I would like to ask whether President Clinton intends to continue to call on Japan to increase the voluntary plan and whether Prime Minister Murayama intends to reject the U.S. request. If the two of you should continue to do so, I think it will be difficult to make mutual concessions. So, I would like ask how you plan to bridge the gap, particularly the issue regarding the voluntary plan.

[Murayama] As the President answered earlier, in the talks, we did not touch on specific problems. As stated earlier, the negotiations have been conducted by competent officials and experts. Since the talks are scheduled to be held in Geneva 22-23 June, I hope that full discussions, including this specific problem, will be conducted there. The President and I agreed to let the delegates of both sides conduct thorough discussions to find a way to settlement and to make mutual efforts to settle the issue in the coming talks. [passage omitted]

Murayama-Clinton News Conference Reviewed

OW1506223495 Tokyo KYODO in English
2214 GMT 15 Jun 95

[FBIS Transcribed Text] Halifax, Canada, June 15 KYODO — Japan's Prime Minister Tomiichi Murayama and U.S. President Bill Clinton concurred Thursday [15 June] on their best efforts to resolve a bilateral row over autos and auto parts trade by June 28.

Speaking at a joint news conference following their 90-minute summit, Murayama and Clinton both said they also reaffirmed that the trade wrangle should not harm overall bilateral relations.

While renewing his determination to pry open Japan's auto market, Clinton made it clear that the United States will impose 5.9 billion dollars of sanctions on Japanese luxury cars June 28 unless a deal is reached beforehand.

But he also added he still hopes to conclude bilateral negotiations before the deadline.

"I have instructed our negotiators to pursue every possible avenue of resolution before the June 28 deadline and I remain hopeful that an acceptable, meaningful agreement can be reached," the U.S. leader said.

Murayama, for his part, acknowledged there remain differences between the two nations over automotive trade and demanded anew that the U.S. avoid slapping punitive 100 percent tariffs on 13 Japanese car models retroactive to may 20.

The Japanese premier also criticized the U.S. threat to impose sanctions, saying such "unilateral" action runs counter to the rules of the World Trade Organization (WTO), the Geneva-based international trade watchdog.

The U.S. wants Japan to accept a "voluntary" agreement by Japanese automakers to purchase a certain amount of U.S. parts. Japan refuses to accept the proposal as numerical measures for market openness which it says would lead to managed trade.

Nevertheless, Murayama said, he reaffirmed with Clinton the need for the auto trade dispute not to spill over into other areas of bilateral relations.

While saying his discussion with Murayama "focused on the strength of the U.S.-Japan relationship," Clinton said the two leaders "are determined to make it stronger still. Never have our ties between our nations been more important and never have they been closer."

Murayama conferred with Clinton for the fourth time in a year Thursday afternoon prior to an evening reception that kicks off the summit of the Group of Seven (G-7) major economic powers of Britain, Canada, France, Germany, Italy, Japan and the U.S.

Murayama and Clinton also agreed to extend bilateral economic framework negotiations beyond this summer.

The talks, which started in response to the accord former Japanese Prime Minister Kiichi Miyazawa and Clinton reached in July 1993, were initially to last for two years.

Murayama and Clinton also compared notes on a variety of topics, including cooperation in helping convert North Korea's nuclear program into peaceful purposes and bringing this year's summit of the Asia-Pacific economic cooperation forum in Osaka in November to a successful conclusion.

They also concurred on the need for further efforts for a "common agenda" on such global issues as drugs and aids.

Cooperation in this area is the symbol of the "creative partnership" between Japan and the U.S., Murayama said.

Clinton, Murayama Seek To Solve Auto Row

OW1606001895 Tokyo KYODO in English
2354 GMT 15 Jun 95

[By William Mallard]

[FBIS Transcribed Text] Halifax, Canada, June 15 KYODO — U.S. President Bill Clinton and Japanese Prime Minister Tomiichi Murayama agreed Thursday [15 June] to seek agreement in their bilateral auto trade row but Clinton hung tough on his threat of sanctions if the talks fail.

After meeting ahead of the Group of Seven (G-7) industrial power summit, the two leaders told a news conference they agreed to have their negotiators redouble their efforts to reach agreement before the June 28 sanctions deadline.

They also agreed not to let the nasty row damage overall bilateral ties, which Clinton said have never been more important "and never have they been closer."

"I have instructed our negotiators to pursue every possible avenue of resolution before the June 28 deadline and I remain hopeful that an acceptable, meaningful agreement can be reached," Clinton said.

"But if a solution cannot be found by the deadline, I will impose sanctions, and the United States will also pursue a case before the World Trade Organization," he said.

Murayama said he "asked for the expeditious removal of the unilateral measures since they violate the rules and the spirit of the World Trade Organization."

Although neither leader used the word "sanctions" in their 90-minute meeting, Murayama said the move is regrettable, although he called it a matter of U.S. domestic law, a Japanese official said.

By calling the sanctions a domestic U.S. legal matter, Murayama was able to wriggle out of previous Japanese assertions that it would not negotiate under the threat of sanctions.

But the leaders offered no hint how they could finesse their seemingly irreconcilable differences on the dispute, even as they repeatedly expressed hope for an agreement from vice ministerial talks June 22-23 in Geneva.

Murayama expressed hope for in-depth discussions in Geneva next week and that "somehow we'll be able to come up with a force that will lead us to the settlement of the issue through talks."

U.S. Secretary of State Warren Christopher, in a separate news conference, also expressed hope for "a good agreement next week in Geneva."

Clinton, when asked how the two could rectify their entrenched positions in Geneva, said, "any answer that we give will undermine the possibility that a successful negotiation can occur."

The U.S. says Japanese automakers must buy more foreign parts and more Japanese dealers should offer foreign cars, but Japan categorically rejects the "voluntary plans" for parts purchases as "managed trade."

Their dug-in positions have led the U.S. to threaten 100 percent tariffs on 5.9 billion dollars worth of Japanese luxury cars retroactive to May 20 if the June 28 deadline passes, which prompted Japan to file a complaint with the Geneva-based World Trade Organization.

On a bilateral civil aviation dispute, Clinton said he expressed concern "that Japan honor rights that our carriers now have guaranteed under existing aviation agreements."

Murayama told Clinton he has instructed Transport Minister Shizuka Kamei to work toward an agreement on the dispute, the Japanese official told reporters. Publicly, Murayama said only that the air dispute must not be allowed to harm bilateral ties.

The U.S. demands that Japan allow three U.S. carriers, particularly Federal Express Corp., to add a route through Japan to the Philippines, which Washington says is a "beyond right" granted in a 1952 treaty.

Japan demands revision of the treaty before allowing any new flights, calling the agreement an occupation-era relic.

Christopher said Clinton and Murayama "had a discussion of the fact that after a decision was reached to respect those rights, then there could be broader discussions about the liberalization of the overall air cargo market."

On Asian issues, Murayama highly praised U.S. efforts that led to an agreement last week with North Korea to replace its nuclear reactors with modern ones that produce less plutonium which could be used to make nuclear weapons. Murayama vowed to "actively promote the outcome."

Clinton said Murayama agreed to a "significant contribution" to the expected 4 billion dollar multilateral effort to pay for the light-water reactors to replace Pyongyang's graphite-moderated ones.

The president said the efforts of the U.S., Japan and South Korea to contain North Korea's suspected nuclear weapons development "is a matter of profound importance to every Japanese citizen, every American citizen and all the people who live in north Asia."

Murayama and Clinton never mentioned currency rates in their talks, a Japanese official said.

Tsutsumi Holds News Conference on Auto Dispute

OW1606103895 Tokyo Asahi Newstar Television Network in Japanese 0920 GMT 15 Jun 95

[News conference by Tomio Tsutsumi, administrative vice minister of international trade and industry, with unidentified domestic reporter at the Ministry of International Trade and Industry in Tokyo, date not given —

recorded; from "Flash Report: News Conference" Program]

[FBIS Translated Excerpt] [Reporter] I would like to ask some questions about the auto issue. Next week, Japan and the United States will hold vice-ministerial talks on the auto issue. Would you comment on the prospects for the talks?

[Tsutsumi] Our minister stated his views on the auto dispute between Japan and the United States at the news conference held yesterday and that I have no comment on it. Both Japan and the United States are close and friendly and I believe what is important is that the two countries continue holding talks to the end. The issue of the 301 provision and the issue of the auto dispute pending in the WTO are not on the agenda of the vice-ministerial talks. According to our minister, Japan plans to hold talks with the United States on a gradual basis. Japan plans to discuss what it has so far insisted on with the United States. In particular, Japan will insist on the need to settle the auto dispute in accordance with international trade rules. Japan will uphold the principle of seeking an understanding of its position from the rest of the world. In that sense, I believe that Japan will have a good opportunity.

[Reporter] Prime Minister Murayama and President Clinton will hold Japan-U.S. summit talks in Halifax. They are likely to raise the auto dispute for discussion at their summit talks. What is your comment?

[Tsutsumi] I think that they will raise the issue. But how they will discuss the auto dispute is up to them. I, therefore, am not in a position to comment on it.

[Reporter] At today's news conference, Chief Cabinet Secretary Igarashi said the government will map out a new package of economic stimulus measures after the Halifax summit. Would you give details of the package?

[Tsutsumi] The previous emergency package of yen-curbing and economic stimulus measures put forth a guideline. The government plans to implement steadily the package according to the guideline. The government plans to figure out what it can do for the economy, taking the current economic trends into account. The government sees as a program an emergency package of measures to deal with economic problems arising from the sharply appreciating yen. I believe that the government needs to take perfect measures to deal with the economic problems arising from the drastically appreciating yen.

[Reporter] What specifically does the Ministry of International Trade and Industry [MITI] plan to do?

[Tsutsumi] At the present stage, MITI is just studying options. [Passage omitted]

[Reporter] I would like to ask how the government is going to deal with the auto dispute now pending in the WTO.

[Tsutsumi] Regarding the auto dispute now pending in the WTO, the United States has unilaterally announced a sanctions list which would hit Japanese-built luxury cars with punitive tariffs. Japan has lodged a complaint with the WTO against the U.S. announcement of the sanctions list, calling it a violation of WTO rules. Japan plans to deal steadily with the auto dispute with the United States in the WTO. I do not believe that Japan's position to continue holding talks with the United States is inconsistent with its position to settle the auto dispute in the WTO. [passage omitted]

Christopher Ices Hints of Optimism on Auto Trade

OW1506212495 Tokyo KYODO in English
2105 GMT 15 Jun 95

[By William Mallard and Kohei Murayama]

[FBIS Transcribed Text] Halifax, Canada, June 15 KYODO — U.S. Secretary of State Warren Christopher iced recent hints of optimism on auto trade Thursday [15 June], telling Japanese Foreign Minister Yohei Kono that the United States remains ready to slap sanctions on Japanese luxury cars.

Hours before the two nations' leaders meet, Christopher told Kono that June 28 is "a deadline and not a target date or goal" for 100 percent tariffs on 5.9 billion dollars worth of cars, a U.S. administration official said.

That means Washington will not waver or extend the date for a sanctions decision if the two sides reach no agreement by then, he told reporters on condition of anonymity.

Kono told Christopher the two countries "must avoid letting the auto issue have an adverse effect on overall Japan-U.S. relations," and Christopher agreed that the nasty dispute would not be a key issue, according to a Foreign Ministry official.

The U.S. official played down recent talk that there could be a breakthrough in the bilateral row during the summit through Saturday of the Group of Seven (G-7) industrial powers.

But the U.S. official said it is "encouraging" that both sides have agreed to vice ministerial auto meetings June 22-23 in Geneva, saying negotiators are trying to resolve the dispute.

Japan rejects as "managed trade" U.S. calls for Japanese companies to boost their purchases of foreign parts but the U.S. says such "voluntary plans" or other measures are needed to fulfill a bilateral agreement aiming at increased purchases of foreign parts.

Kono and Christopher reviewed another trade dispute, over civil aviation, which the U.S. official called "a very serious issue for the U.S." Both ministers agreed that big gaps remain but that they have been narrowed, the Japanese official said.

The U.S. demands that Japan allow three U.S. carriers, particularly Federal Express Corp., to add a route through Japan to the Philippines, which Washington says is a "beyond right" granted in a 1952 treaty. Japan demands revision of the treaty before allowing any new flights, calling the agreement an occupation era relic.

Kono highly praised the recent U.S.-North Korea basic agreement to replace Pyongyang's old nuclear reactors with ones that cannot be used for North Korea's suspected nuclear weapons development plans, the Japanese official said.

On Asia-Pacific relations, Kono told Christopher maintaining cooperation is essential among Japan, the U.S. and China, the Japanese official said.

He quoted Christopher as saying that despite the recent trip to the U.S. by Taiwan President Li Teng-hui, the U.S. wants to engage, not isolate, Beijing.

A Japanese official said Wednesday the G-7 summit is likely to call on China to take a more active role in the world.

Officials Play Down Bad Loans Before Meeting

OW1506153195 Tokyo KYODO in English
1519 GMT 15 Jun 95

[By William Mallard]

[FBIS Transcribed Text] Halifax, Canada, June 15 KYODO — Hours before a Japan-U.S. finance ministers' meeting Thursday [15 June], Japan was playing down its bad-loan mess and the chance that Washington will press it for more economic stimulus measures.

A senior Japanese finance official said he could not deny that Treasury Secretary Robert Rubin may urge more Japanese pump-priming measures, as he has done publicly of late, when he meets in the evening for a half-hour with Finance Minister Masayoshi Takemura.

At the finance minister-level and at the top level during the Group of Seven (G-7) summit starting in the evening, Japan will explain its efforts to implement current pump-priming budgets and may spell out its willingness to do more, the official told reporters on condition of anonymity.

Takemura vowed "flexible action" as early as autumn to counter growing fears of an economic relapse.

The G-7 nations will each explain their own economic conditions and policy measures, the official said when asked if Japan will urge any specific action on interest rates from the United States or Germany.

But on the mountain of bad loans that are throttling new lending by Japanese banks and raising fears of financial system instability, the official was upbeat.

Although Japan acknowledges some 40 trillion yen in nonperforming loans and analysts put the figure at as much as three times that, the official focused on efforts by the 21 major commercial banks, saying their nonperforming loans come to 12.5 trillion yen, 60 percent of which is earmarked for write-offs.

"Addressing problems is getting under way as time progresses," he said. "Japanese large banks are making efforts to manage that problem."

The finance official also stressed that internationally, Japanese banks are "enjoying sound business development."

On proposals that the G-7 urge a doubling of the general agreement to borrow (GAB) of the International Monetary Fund (IMF) for emergency financing, the official said, "We certainly think enlarging the current GAB should be looked into. Japan is prepared to take part in the discussions in a very positive way."

On reviewing the IMF and the World Bank, major themes of this year's summit, the official said the two global lenders have adapted well to postwar changes and that "fundamental restructuring is not called for."

He was cautious on reported proposals for an international "bankruptcy" system that would shield debt-wracked countries from creditors as they try to restructure, saying "lots of technical aspects must be first looked into."

Asked if Japan wants to promote the yen as a more international currency, particularly for an Asian "yen bloc," he said only "it's not something Japan can decide."

Official Denies Rubin Urged Economic Measures

OW1606001395 Tokyo KYODO in English
2331 GMT 15 Jun 95

[FBIS Transcribed Text] Halifax, Canada, June 15 KYODO — U.S. Treasury Secretary Robert Rubin said

Thursday [15 June] he has urged Japan to take further actions to address the Japanese economy's "no growth and falling prices."

But a Japanese Government official denied that Rubin made such a call in a meeting between Rubin and Finance Minister Masayoshi Takemura, saying, "There is no reference to Japan's further economic stimulus measures." The Japanese official quoted the finance minister as saying, "The Japanese economy is heading for recovery. The Japanese Government has taken every possible stimulus measure."

On currency exchange rates, Rubin told reporters that he and Takemura reaffirmed the commitments in the Group of Seven (G-7) communique that exchange rates in the G-7 were out of sync with economic fundamentals and that what is needed is an orderly restoration of rates commensurate with fundamentals.

Rubin and Takemura held the one-on-one meeting ahead of the annual G-7 summit in the port city of Halifax in eastern Canada.

Speaking at a news conference after the meeting, Rubin said the United States has taken measures to reduce its budget deficit, particularly through President Bill Clinton's "enormous leadership" with his plan announced Tuesday to balance the budget in 10 years.

Given that "what we have done has been commensurate with the problem," Rubin said, "the Japanese Government, perhaps, could consider further and greater measures" to solve its economic problems. Noting that Takemura "had said at the time (the previous meeting in Indonesia) that there would be additional measures forthcoming," Rubin stressed, "our suggestion was they needed to be commensurate with the magnitude of the problem in Japan, that is to say a problem of no growth and falling prices."

Rubin played down possible repercussions in financial markets if the U.S. and Japan fail to reach a breakthrough in their auto trade dispute by June 28 which is the deadline for Washington to impose sanctions against Japan.

"I think the answer to that question is that access with respect to the Japanese markets is an issue that this administration has been focused on from the very first day," Rubin said. "We all have to be hopeful this gets resolved, but it has got to be resolved in the manner that (U.S. Trade Representative) Ambassador Mickey Kantor has been discussing for quite some time now," he said.

"Otherwise, sanctions will be imposed. That is our position, and I think it is absolutely the correct position," Rubin said in maintaining a tough U.S. stance regardless of how the markets react.

Automakers on Impact of Murayama-Clinton Meeting

OW1606045795 Tokyo KYODO in English
0405 GMT 16 Jun 95

[FBIS Transcribed Text] Tokyo, June 16 KYODO — Japanese auto industry officials expressed further hope Friday [16 June] that the Japanese and U.S. Governments will make utmost efforts to resolve their trade dispute over autos and auto parts in planned talks next week.

The statements follow a meeting between Japanese Prime Minister Tomiichi Murayama and U.S. President Bill Clinton in Halifax, Canada. In the bilateral meeting held prior to the summit of the Group of Seven (G-7) industrialized nations, the two leaders reaffirmed that they will make their best efforts to resolve the bilateral trade row.

An official at a major Japanese automaker welcomed the affirmation, saying it "shows the (the two countries') forward-looking approach." "I hope the two leaders take strong leadership to bring the next vice ministerial auto meetings to a success," the official said on condition of anonymity.

The vice ministerial talks are scheduled for June 22-23 in Geneva.

An official at another major automaker, however, remained pessimistic, saying the situation in the dispute has not changed. "It seems unlikely that the United States will easily take back its demand to increase the voluntary purchase plan of U.S.-made car parts by Japanese automakers," he said.

Clinton made it clear that the U.S. is set to pry open Japan's auto market, and unless favorable progress is made before June 28, the U.S. will slap punitive trade tariffs worth 5.9 billion dollars on Japanese luxury cars. The sanctions are to take effect retroactive to May 20.

Masami Iwasaki, chairman of the Japan Automobile Manufacturers Association, said the association welcomes the pledge by Murayama and Clinton to do their best to resolve the auto trade dispute.

"In order to avoid U.S. sanctions, we hope the negotiators continue their efforts tenaciously," he said.

Meanwhile, Japanese business world leaders generally received the Murayama-Clinton pledge favorably.

Shoichiro Toyoda, chairman of the Federation of Economic Organizations (Keidanren), said the pledge will strengthen the partnership between the two countries and urged early resolution of the trade dispute.

Jiro Ushio, chairman of the Japan Association of Corporate Executives, voiced similar words, but added it is regrettable that little progress can be expected lately out of a meeting between the two nations' leaders.

Jiro Nemoto, president of the Japan Federation of Employers' Associations, said the Murayama-Clinton pledge is "a step forward" to solve contentious bilateral disputes, not only in auto trade but also in aviation.

The two leaders' agreement on cooperation on North Korea's nuclear program together with South Korea is also helpful for peace and stabilization in East Asia, he also said.

Kosaku Inaba, chairman of the Japan chamber of Commerce and Industry, expressed regret that the two leaders did not go into specifics of the auto talks and virtually postponed real discussions to the next vice ministerial talks.

'Sources': Tokyo, Automakers Seeking Compromise

OW1606121395 Tokyo KYODO in English 1143 GMT 16 Jun 95

[FBIS Transcribed Text] Tokyo, June 16 KYODO — Japanese Government and auto industry officials have begun seeking a compromise on the Japan-U.S. auto trade dispute following the failure to resolve the issue at the latest meeting of the leaders of the two countries, industry sources said Friday [16 June].

A compromise is expected to be the last card, as U.S. President Bill Clinton said after his meeting with Japanese Prime Minister Tomiichi Murayama in Halifax, Canada, that Washington will impose sanctions on Japanese imports if no deal is reached by June 28.

Japan and the United States are to hold subcabinet-level negotiations in Geneva next week on the auto dispute.

Japanese officials consider it possible to reach a compromise due to the presence of a flexible view in the U.S. Government on demand for so-called "voluntary" plans by Japanese automakers to boost purchases of foreign parts, according to the sources.

If Japanese automakers announce plans to boost car output in North America, their purchases of local parts are thought certain to increase, said an executive of a major Japanese car manufacturer. He spoke on condition of anonymity.

Japanese automakers can release operational plans to increase purchases of parts as long as they do not mention the value of planned purchases, he said.

An executive with another automaker said the impasse in the trade talks may be broken through the announcement of such plans, as well as deregulation in the auto industry and wider opening of dealer networks to foreign cars.

Those statements are in line with remarks by a top U.S. diplomat in Tokyo, who said there are ways to achieve purchase expansion plans, including an increase in production in the U.S.

Walter mondale, U.S. ambassador to Japan, reportedly said that purchase plans will be acceptable if they show directions for buying foreign parts.

But skeptics in the Japanese Government and industry questioned whether vague operational plans will satisfy U.S. officials demanding tangible results.

Political Motives Behind Auto Dispute Noted

OW1506145295 Tokyo TOKYO SHIMBUN in Japanese 14 Jun 95 Morning Edition p 3

[Article by economic reporter Atsushi Honda: "No 'Way Out' for the Japan-U.S. Auto Friction"]

[FBIS Translated Text] Detroit — Amid vehement international criticism, the Clinton administration of the United States is driving toward the 28 June implementation of sanctions against Japan over the Japan-U.S. automobile dispute. The bilateral consultations under the World Trade Organization (WTO) held on 12 June ended in failure, as expected. No brakes will likely be put on moves toward auto sanctions. What is strange is that there is no serious mood concerning sanctions in Detroit, the center of the auto friction. The truth of the current "staged crisis" lies in this point.

On Sunday, 11 June, Detroit was filled with shouts of joy and excitement all day and night. In the daytime, the traditional automobile race the "Detroit Grand Prix" was held on Belle Isle, a small island in the Detroit river. At night, a game of the National Hockey League was held at the Joe Louis Arena at the center of the city, and the local team, the "Red Wings," won a ticket to the finals for the first time in 29 years.

Despite the situation of the "Japan-U.S. automobile war," none but the Big Three auto makers are harsh with Japan in Detroit, the seismic center of the auto friction, unlike in Washington where Japan is being severely criticized.

One of my acquaintances who is an employee of a Big Three auto maker, said: "(Japan) was no issue in Detroit until the U.S. Government announced sanctions in May."

The reason Detroit is cool to the auto friction is that "business" is brisk. Net profits of the Big Three companies were $13.9 billion last year, the most ever. During the first quarter (from January through March) of this year, their net profits already recorded as much as $4.3 billion.

The production and sales of automobiles in the United States are declining this year. The unemployment rate in Michigan in December of last year was 4.5 percent, the lowest level. However, the rate is again increasing, and it was 5.7 percent in May.

However, personal consumption between January and April was steady, increasing by 2 percent from the same period in the previous year. David Wittman, a senior economist at the Detroit's local bank Comerica Bank [name as transliterated], said: "Business hit the peak in 1994. But there is no recession at present." Thus, business itself is more active than last year.

Strategy for Reelection

The Clinton administration's policy of emphasizing the "closed nature of the Japanese market" and threatening sanctions against Japan is not based on Detroit's hair-trigger dissatisfaction.

Although this might cause misunderstanding, I dare to say that there is a strong impression that President Clinton and U.S. Trade Representative (USTR) Mickey Kantor, who is in compliance with the former's will, have "made up the crisis" of the auto issue with Washington playing the leading role.

Their target is nothing more than the presidential election set for 1996. For the president supported by labor unions, Detroit is the most important strategic place, which is the heart of the U.S. automotive industry, and where the head office of the United Auto Workers (UAW) union, with a membership of 800,000, is located.

The main reason for Clinton defeating George Bush, the then president from the Republican party, in the 1992 presidential election was that he won support from the Midwestern States, including the State of Michigan.

The driving force for the victory was the mass return of "Reagan Democrats," mostly the UAW Democratic members (who had voted for the Republican Party, seeking a 'small government.')

There are only eight months to go before a February presidential primary election in New Hampshire. In light of this, it is understandable why the Clinton administration exceptionally leans toward New Hampshire, assuming a hardline attitude against Japan.

Hugh Mcdermott, cynical political columnist of the DETROIT FREE PRESS, ironically said: "Clinton's 'most long-range concept' covers until 1996. He has nothing in his mind about policies beyond that."

From an "economic motive," the Big Three and the U.S. auto parts industry support the Clinton administration's hardline attitude toward Japan, which the administration assumes from a "political motive." This is the basis of the U.S. stand.

The tough approach toward Japan is also attractive to the Big Three and the U.S. auto parts industry. If Japan should yield to U.S. pressure to expand the procurement plan for auto parts, as well as its pressure to open up sales networks of dealers affiliated to Japanese auto makers, they would get "business opportunities" without any troubles. If the bilateral auto trade negotiations rupture, the Big Three could substantially shut out Japanese auto manufacturers, their strong rival, by imposing duties of 100 percent on their luxury cars.

Talks for Sanction's Sake

After a May ministerial meeting held between Ryutaro Hashimoto, minister of the international trade and industry, and Kantor in Canada broke down, a top official of the Ministry of International Trade and Industry resentfully said, "The United States brought forward a new unreasonable demand just as we were about to reach an agreement." A characteristic of a "sanction machine" of the White House and the U.S. auto industry lies in their attitude of favoring "sanctions for sanctions' sake."

On 8 June, the USTR held a public hearing in Washington over Japanese automakers' procurement of foreign-made auto parts. While allotting plenty of time to pro-sanction participants, the USTR forced antisanction factions to state their cases in the evening when the deadline for U.S. newspapers had already passed. Moreover, the USTR tried to delay the opponents' turn by suddenly proclaiming a "dinner break" right before they began their speeches. The USTR ran the hearing extremely unfairly.

An executive of a Japanese auto maker who was in the United States openly expressed his anger, and said: "This is a 'religious trial.' The United States appears to be an angel, and Japan, a devil."

Some people in Japan say that Japan should seek a "political compromise" before the sanction deadline. Although the Clinton administration has stood isolated by criticisms from the OECD and the WTO, it still aims to have a "confrontation" with Japan, seeking momentum for reelection.

Who can stop the "dangerous political game," which has thrown the global economy into an unnecessary chaos, and how?

Igarashi Comments on Renewed Ties With U.S.

OW1606014195 Tokyo KYODO in English 0136 GMT 16 Jun 95

[FBIS Transcribed Text] Tokyo, June 16 KYODO — Japan hails the renewed commitment by Prime Minister Tomiichi Murayama and U.S. President Bill Clinton to the importance of bilateral ties, a government spokesman said Friday [16 June].

Commenting on the two leaders' meeting in Halifax, Canada, on Thursday, Chief Cabinet Secretary Kozo Igarashi repeated his oft-stated contention that a bilateral row over auto and auto parts trade should not harm overall Japan-U.S. relations.

"I understand (Murayama and Clinton) have shared the view that Japan-U.S. ties are extremely important and should not be crippled even if there is a variety of bilateral problems," Igarashi told a news conference.

In the meeting just prior to this year's summit of the group of seven major industrialized nations, Murayama and Clinton agreed to seek resolution of the automotive wrangle by June 28, the day the United States is to impose punitive tariffs of 5.9 billion dollars on Japanese luxury cars.

Tokyo Proposes Aviation Discussions at Geneva

OW1606063495 Tokyo KYODO in English 0545 GMT 16 Jun 95

[FBIS Transcribed Text] Tokyo, June 16 KYODO — Japan has proposed to the United States that next week's talks in Geneva on the auto trade issue also deal with the bilateral aviation dispute, Transport Minister Shizuka Kamei said Friday [16 June]. If the U.S. accepts the proposal, Masahide Ochi, vice transport minister for international affairs, will fly to Geneva in search of a breakthrough in the row over new air cargo routes by U.S. airlines in Asia, Kamei told a press conference.

The proposed subcabinet-level meeting is intended to iron out differences between Japan and the U.S. through negotiations as much as possible, Kamei said. At the center of the dispute is the problem of so-called "beyond rights" granted under the 1952 bilateral aviation pact that allows U.S. airlines to fly on from Japan to other countries. Based on the pact, the U.S. has urged Japan to approve 11 new air cargo routes to other parts of Asia via Japan. Japan is seeking a review of the overall framework of the pact before negotiating specific U.S. demands.

Washington has threatened to take punitive measures if no progress is made in the dispute. Kamei said he does not think the U.S. will resort to retaliatory action at this moment as negotiations are still under way.

For two days from next Thursday, Japanese and U.S. negotiators are scheduled to meet in Geneva to find ways to resolve the auto trade dispute, which has developed into a global issue under the world trade organization.

Accord Reached With U.S. on Foreign Investment

OW1606063695 Tokyo KYODO in English 0556 GMT 16 Jun 95

[FBIS Transcribed Text] Tokyo, June 16 KYODO — Japan and the United States have agreed to promote foreign investment in their respective countries, the government announced Friday [16 June]. The announcement by the Ministry of International Trade and Industry said the agreement was reached in negotiations held in Tokyo from Sunday through Friday as part of an effort to work out a new framework for bilateral trade.

According to the agreement, Japan will help promote mergers and acquisitions of Japanese companies by foreign enterprises through deregulation and low-interest loans from the government-funded Japan Development Bank, ministry officials said.

Both sides agreed to set objective criteria for the outstanding balance of foreign investment and the number of foreign enterprises in their respective countries and review them every six months for the next two years, the officials said.

The U.S. federal and state governments will set up outlets for consultations on foreign investment in the United States, they said.

The negotiations stemmed from a U.S. request for Japan to correct the imbalance of foreign investment, the officials said.

Leaders To Discuss Yen Rise at Arizona Meeting

OW1606092195 Tokyo KYODO in English 0732 GMT 16 Jun 95

[FBIS Transcribed Text] Tokyo, June 16 KYODO — Japanese business leaders are likely to ask for U.S. help in halting the yen's rise on the foreign exchange market in three days of annual talks with U.S. business leaders opening July 9 in Tucson, Arizona, officials said Friday [16 June].

The agenda at the 32nd Japan-U.S. Business Conference will include currency and macroeconomic problems, economic deregulation and market access.

At the meeting, the Japanese executives will explain the hardships Japanese companies are encountering in the face of the yen's surge and ask for U.S. help in arresting the yen's rise and the dollar's fall, Japanese officials said.

The Japanese delegation to the talks will include Shoichiro Toyoda, chairman of the Federation of Economic Organizations (Keidanren), and other top business executives.

The U.S. delegation will include Donald Fites, chairman of Caterpillar Inc., and John Smith Jr., president and chief executive officer of General Motors Corp.

Nye Statement on Security, Economics Welcomed

OW1506135395 Tokyo Asahi Newstar Television Network in Japanese 0915 GMT 15 June 95

[News conference by Japanese Chief Cabinet Secretary Kozo Igarashi with unidentified reporters at the prime minister's official residence on 15 June — recorded; from the "Flash Report: News Conference" program]

[FBIS Translated Excerpt] [Reporter] It has been reported that Joseph Nye, U.S. assistant secretary of defense, issued a statement saying that security and the economy should not be linked. This means linking these two issues is no good even for the United States. His statement sounds reasonable for Japan. What is your view on it?

[Igarashi] Well, as Prime Minister Tomiichi Murayama and Foreign Minister Yohei Kono always say, Japan-U.S. relations are the most important diplomatic relations for both nations. They must continue to be rock solid in the future. Regarding several immediate pending issues, it goes without saying that both nations should strive for a solution with sincerity while complying with appropriate rules. These issues should never be linked with the economy in general, let alone security and other areas. In this sense, I feel his statement is more than welcome and I agree with him. [passage omitted]

Chirac Briefs Murayama on Nuclear Test Plans

OW1606084695 Tokyo KYODO in English 0421 GMT 16 Jun 95

[FBIS Transcribed Text] Halifax, Canada, June 15 KYODO — France's President Jacques Chirac briefed Japan's Prime Minister Tomiichi Murayama on Thursday [15 June] on France's recent decision to resume nuclear testing in the Pacific in September, Japanese officials said.

Just before a working dinner for leaders of the Group of Seven (G-7) major industrialized nations, Chirac voiced regret that the decision may have distressed Japanese people, the officials said.

But he sought Japan's understanding of the planned resumption of nuclear tests, saying France will sign a proposed comprehensive test ban treaty after conducting tests of its nuclear devices eight times by next May, they said.

Murayama, premier of the only nation to have suffered from atomic bombings, made no particular response to Chirac's account, the officials said.

Chirac has already sent a letter to Murayama explaining France's nuclear policy. Murayama plans to urge France to reverse its decision when he confers in Paris after the end Saturday of the summit of the G-7 — Britain, Canada, France, Germany, Italy, Japan and the United States, the officials said.

Also on Thursday in a meeting with French Foreign Minister Herve de Charette, Japanese Foreign Minister Yohei Kono restated Tokyo's displeasure with France's plan to restart nuclear testing, the officials said.

Chirac Message to Murayama

OW1506143795 Tokyo KYODO in English 1411 GMT 15 Jun 95

[FBIS Transcribed Text] Tokyo, June 15 KYODO — French President Jacques Chirac has sent a message to Japanese Prime Minister Tomiichi Murayama seeking understanding of his decision to resume nuclear testing in September, a top Foreign Ministry official said Thursday [15 June] night.

The message, dated Wednesday, arrived in Japan and was delivered to Murayama in Halifax, Canada, where he is to attend the Group of Seven (G-7) economic summit, the official said.

The official quoted Chirac's message as saying the French president is well aware that his decision to resume nuclear testing "would not be accepted by Japan with pleasure" and that he fully understands and respects the Japanese people's feelings toward nuclear weapons.

But it is necessary for France to conduct the nuclear tests to conclude the Comprehensive Test Ban Treaty (CTBT) by 1996, and ensure French security and the credibility of its weapons, the message was quoted as saying.

Chirac also assured Murayama in the message that the tests will be conducted at a minimum level, the official said.

The French president said Tuesday that France will resume nuclear tests in September and that eight experiments will be held until 1996.

The top ministry official, who spoke on condition of anonymity, said Murayama will convey Japan's protest over the French decision when he holds talks with Chirac in Paris next Monday.

Foreign Minister Yohei Kono conveyed Japan's protest Wednesday during a telephone conversation with French Foreign Minister Herve de Charette.

Earlier Thursday, Vice Foreign Minister Kunihiko Saito met French ambassador to Japan Jean-Bernard Ouvrieu and described the French decision as a "betrayal" of the trust of nonnuclear countries who agreed on the indefinite extension of the nuclear Nonproliferation Treaty (NPT).

Murayama Urged To Protest

OW1606093895 Tokyo KYODO in English
0842 GMT 16 Jun 95

[FBIS Transcribed Text] Tokyo, June 16 KYODO — Prime Minister Tomiichi Murayama must protest against France's decision to restart nuclear testing when he meets with French President Jacques Chirac in Paris next week, a partner of Japan's governing coalition said Friday [16 June].

Yukio Hatoyama, secretary general of New Party Sakigake [Harbinger], a tiny force in the tripartite coalition, said in a statement that France's decision runs counter to the spirit of the recent indefinite extension of the nuclear Nonproliferation Treaty.

The French decision to resume nuclear testing in September is "abysmally insensitive" because it comes in a year commemorating the 50th anniversary of the atomic bombings of Hiroshima and Nagasaki, he said.

As the world's only nation to be atom-bombed, Japan should contribute to eliminating nuclear weapons and take a tough stand against France on its nuclear policy, Hatoyama noted.

"We believe Prime Minister Murayama should file a strong protest against President Chirac in the Japan-France meeting to be held after the Halifax summit" of the Group of Seven (G-7) major economic powers, he asserted.

Murayama will fly to Paris after the G-7 summit in Halifax, Canada, and hold talks with Chirac on Monday.

STA Chief Demands Halt

OW1606032595 Tokyo KYODO in English
0251 GMT 16 Jun 95

[FBIS Transcribed Text] Tokyo, June 16 KYODO — Science and Technology Agency chief Makiko Tanaka said Friday [6 June] Japan should seek international cooperation to quash France's planned resumption of nuclear tests in the South Pacific.

"It is meaningless to only issue a statement expressing disappointment. It is necessary to raise the issue at the summit so as to block the testing," Tanaka told a news conference.

The french decision to resume nuclear testing in September, announced by President Jacques Chirac on Tuesday, has angered Japan and other countries.

Prime Minister Tomiichi Murayama was expected to touch on the issue at this year's summit of the Group of Seven (G-7) economic powers in Halifax, Canada, which opened Thursday.

He also plans to press a demand for France to reverse the decision when he meets Chirac in Paris next week.

A vocal member of the Liberal Democratic Party, the dominant force in Japan's governing coalition, Tanaka harshly criticized France for its planned resumption of nuclear tests.

"France insists that the purpose of its tests is to confirm the safety (of its nuclear devices), but I believe it is intended to raise national prestige," she said.

"I suggest it conducts tests on its own soil, such as on the outskirts of Paris, not somewhere in the South Pacific," she added.

Tanaka said the Atomic Energy Commission, an advisory panel to the prime minister, will consider issuing a statement on the French nuclear testing program. She chairs the commission, which was established in 1956.

Editorial on French Decision on Nuclear Tests

OW1506150195 Tokyo NIHON KEIZAI SHIMBUN
in Japanese 15 Jun 95 Morning Edition p 2

[Editorial: "Regret Over French Resumption of Nuclear Testing"]

[FBIS Translated Text] France will resume nuclear testing, which has been suspended since April 1992. During a news conference on the eve of his departure for the Group-of-Seven [G-7] summit in Halifax, French President Jacques Chirac announced his decision to resume nuclear testing in September. He said France will conduct eight nuclear tests by May 1996. The

French decision is really regrettable in the sense that it is an outrage to ruin the worldwide efforts for nuclear disarmament.

Last month, the international community agreed on an indefinite extension of the nuclear Nonproliferation Treaty (NPT). The NPT enforces strict rules on non-nuclear nations — they have to accept inspections to prove their peaceful use of atomic power. At the same time, nuclear-armed nations have an obligation to try their best to reduce nuclear weapons. The international conference on the NPT's extension faced rough going since many non-nuclear nations voiced their dissatisfaction with the arms reduction efforts made by the nuclear nations.

The focal point at the NPT conference was that the indefinite extension of the treaty may justify the existing nuclear weapons held by a few nations. To ease the concern of non-nuclear nations, the NPT conference adopted a supplementary resolution simultaneously with the approval of the NPT's extension. The supplementary resolution advocates a conclusion of the Comprehensive Test Ban Treaty [CTBT] by 1996, an early settlement of negotiations on a treaty to ban production of fissionables for military use, and reinforced security frameworks for non-nuclear nations.

The NPT's indefinite extension and its supplementary resolution were expressions of the world's desire for nuclear disarmament. France promised it would never conduct nuclear tests after May 1996, and that it would unconditionally support the CTBT. Yet, France's resumption of nuclear tests at this moment is obviously an attempt to betray the world's wish, and this should be called egoism of a nuclear nation.

France noted that nuclear tests should be resumed to improve the reliability and safety of its nuclear arms. If the safety of nuclear weapons cannot be maintained without constant test explosions, what France has to do is to scrap all nuclear weapons. Some experts noted: "A test explosion is not an absolute necessity in maintaining the reliability of nuclear weapons." If the French decision was made for some political purpose, it will not create positive results.

China is another nuclear-armed nation that continues to conduct nuclear testing. Its latest nuclear test was conducted while Prime Minister Tomiichi Murayama's Beijing visit was still fresh in our memory. France's resumption of nuclear testing will become a perfect excuse for further nuclear testing by China.

Japan is the world's only victim of nuclear weapons, and we know how nuclear weapons bring about tragedies to people. Also, Japan is the largest user of atomic power among non-nuclear nations. Japan is trying its best to prevent proliferation of nuclear weapons as the most loyal member of the NPT. As one of the nonnuclear nations, Japan's influence on nuclear nations may not be very significant. But Japan must play its role in nuclear disarmament by its constant efforts. Japan must vigorously protest China and France.

Italy 'Noncommittal' on Tokyo's UNSC Bid

OW1606004795 Tokyo KYODO in English
0032 GMT 16 Jun 95

[FBIS Transcribed Text] Halifax, Canada, June 15 KYODO — Japanese and Italian Foreign Ministers Yohei Kono and Susanna Agnelli agreed Thursday [15 June] on further promotion of political dialogue between the two countries, Japanese officials said.

Kono said Japan-Italy ties are in a good condition now but more political interchange should be promoted in view of each country's national power, and Agnelli shared the view, the officials said.

Kono sought Italian support for Japan's bid to become a permanent member of the UN Security Council, the officials said.

But Agnelli was noncommittal, saying Japan and Italy do not necessarily hold the same view on the matter, they said.

The two foreign ministers are in Halifax to attend the annual summit of the Group of Seven industrialized countries that started Thursday evening for a three-day run.

Murayama-Chretien Talks on PKO Mission Viewed

OW1506160595 Tokyo KYODO in English
1554 GMT 15 Jun 95

[By William Mallard]

[FBIS Transcribed Text] Halifax, Canada, June 15 KYODO — Japanese Prime Minister Tomiichi Murayama on Thursday [15 June] promised his Canadian counterpart Jean Chretien "forward-looking consideration" of sending peacekeeping troops to the Golan Heights, a Japanese official said.

Chretien expressed concern that Japan was not making visible progress on the issue of relieving Canadian troops in the Israeli-occupied zone, the focus of Israel-Syria peace efforts, and Murayama responded that the three coalition parties are trying to reach a conclusion on the ticklish issue, the official said.

Besides that diplomatic probe in their 50-minute talks before the evening start of the Group of Seven (G-7) summit, Chretien told Murayama he is happy that the two countries have no bilateral disputes to resolve and that relations are progressing, the official said on condition of anonymity.

The Canadian leader and summit host stressed his country's long history of UN peacekeeping activities, saying that despite its soldiers being taken hostage in Bosnia, Canada feels such activities are vital for peace, the official said.

Japan, with its antiwar Constitution, only in recent years approved sending Self-Defense Forces personnel abroad. A Japanese mission to the Golan Heights determined that Japan could participate in UN peacekeeping but the proposal hit opposition from Murayama's Social Democratic Party [of Japan] and some in its main coalition partner, the Liberal Democratic Party.

Murayama and Chretien did not mention France's decision to resume nuclear weapons tests, a move their foreign ministers blasted Wednesday, the official said.

Nor did they discuss trade issues, he said.

They agreed the G-7 summit needs to clearly call for an early warning system to prevent Mexico-type financial crises and an emergency financing scheme in case they occur, the official said.

DPRK May Receive 300,000 Tons of Rice Aid

OW1606033995 Tokyo KYODO in English
0321 GMT 16 Jun 95

[FBIS Transcribed Text] Tokyo, June 16 KYODO — Japan could send at least 300,000 tons of rice in emergency aid to North Korea provided South Korea agrees to the project, Farm Minister Taichiro Okawara said Friday [16 June]. Okawara, minister of agriculture, forestry and fisheries, made the remark in a news conference after Friday's regular cabinet session.

"At least 300,000 tons (of rice) could be sent," he said, referring to North Korea's request for food aid to ease a severe food shortage resulting from bad weather.

Pyongyang has also asked the UN Educational, Scientific and Cultural Organization to provide 5,000 tons of rice to feed school children, South Korean Government officials said.

The government of Japanese Prime Minister Tomiichi Murayama has responded cautiously to the North Korean request and sought South Korea's participation in the relief project. Japan has normalized diplomatic relations with South Korea but has not done so with North Korea.

Chief Cabinet Secretary Kozo Igarashi reiterated that Tokyo will look into the possibility of supplying rice to North Korea with the understanding of South Korea. "Our position on this question is we expect such an action to be taken on the back of South Korea's understanding and from a humanitarian point of view," the top government spokesman told a news conference.

Export-Import Bank Resuming Loans To Brazil

OW1406124095 Tokyo KYODO in English
1153 GMT 14 Jun 95

[FBIS Transcribed Text] Tokyo, June 14 KYODO — The Export-Import Bank of Japan said Wednesday [14 June] it is resuming direct export and overseas investment loans to Brazil, suspended in September 1992.

The governmental bank signed an agreement the same day to extend 10 billion yen in loans to the Brazilian Development Bank, Banco Nacional de Desenvolvimento Economico E Social (BNDES).

Of the total amount, 4 billion yen will be cofinanced by private- sector banks, the bank said in a press release.

In September 1992, the bank furnished two "untied" loans to the Brazilian bank. But the standby program agreed with the International Monetary Fund (IMF) in January 1992 expired in August 1993, prompting the Export-Import Bank to suspend lending, because the Japanese bank set Brazil's agreement to the IMF program as a precondition for its new lending to Brazil.

Yet the Brazilian economy is expected to continue to stabilize under the guidance of President Fernando Henrique Cardoso, inaugurated in January this year.

The Export-Import Bank accordingly has decided to resume lending, the bank said.

The bank will also extend 200 million U.S. dollars in loans to a Brazilian company, Celulose Nipo-Brasileira S.A., to help finance a project to double its annual pulp and paper production capacity to 700,000 tons.

Tokyo To Compile Stimulus Plan by Late Jul

OW1506061395 Tokyo KYODO in English
0336 GMT 15 Jun 95

[FBIS Transcribed Text] Tokyo, June 15 KYODO — The Japanese Government plans to assemble a fresh package of measures by late July to bolster Japan's fitful economic recovery, the top cabinet spokesman said Thursday [15 June].

Chief Cabinet Secretary Kozo Igarashi told a news conference the government will begin formulating the package after Prime Minister Tomiichi Murayama returns home next week from his overseas trip to Canada and France.

Murayama is now in Halifax, Canada, to attend the annual summit of the Group of Seven major economic powers, which opens Thursday. He will then fly on to paris for talks with French President Jacques Chirac.

For now, the best way to stimulate the economy is to implement the national budget for fiscal 1995, which began April 1, and its supplement, Igarashi said. But he hastened to add further steps must be taken in view of the current state of the economy.

"With the economic outlook in mind, we will discuss and take more powerful economy-spurring measures after the summit," Igarashi said.

He spoke of the need to cobble together a new package at the earliest possible date, or some time before the July 23 election for the House of Councillors.

But he declined to comment on whether such measures will center on the second supplementary budget for this fiscal year.

Survey Shows Increase in Corporate Earnings

OW1606093795 Tokyo KYODO in English
0809 GMT 16 Jun 95

[FBIS Transcribed Text] Tokyo, June 16 KYODO — Japanese corporate profits increased in the January-March quarter from a year earlier for the third straight quarter, the Ministry of Finance [MOF] said in a survey released Friday [16 June].

Continued growth in sales and profits shown in quarterly survey of corporate activities indicate that the nation's economy is moderately recovering on a broad front, a ministry official said.

The survey shows that for the first quarter of 1995, manufacturers posted the fourth consecutive quarter of higher sales from year-earlier levels, gaining 6.4 percent, while nonmanufacturers' sales rose 4.2 percent, for the fifth straight quarter of growth.

Combined sales increased 4.8 percent, for the fifth straight quarter of gains.

Companies' pretax profits grew 10.7 percent from a year before, with those of manufacturers gaining 26.8 percent and nonmanufacturers up 1.9 percent.

Corporate capital spending fell 4.7 percent from a year earlier, declining for the 13th straight quarter.

Capital investment of manufacturers, however, rose for the first time in 13 quarters, since the October-December period of 1991, gaining 1.3 percent. Nonmanufacturers' capital investment fell 7.2 percent, down for the 10th quarter in a row.

There are signs of the downturn in corporate capital spending coming to an end in view of the improvement in earnings, the official said.

The survey covered 23,547 companies capitalized at 10 million yen and more, excluding financial institutions and insurance companies. Of these, 19,744 firms, or 83.8 percent, responded. The ministry uses the responses to project figures for 646,086 companies.

On an industry basis, steelmakers posted pretax profits of 40.9 billion yen, compared with pretax losses of 16.3 billion yen a year earlier, on 5.3 percent higher sales.

Pretax profits of electric machinery makers rose 36.3 percent from a year before on 9.7 percent higher sales, helped by strong demand for semiconductors and other electronics parts, the official said.

Profits of transport machinery makers increased by 42.7 percent on 3.0 percent higher sales, and those of chemicals gained 48.5 percent on 4.4 percent higher sales.

Service firms also posted growth in their pretax profits, up 12 percent on 20.7 percent higher sales, helped by active leasing businesses, the official said.

In contrast, food makers saw a 24.7 percent yearly fall in pretax profits on a tiny 0.2 percent rise in sales.

Oil and coal product makers also posted a yearly decline in pretax profits of 28.9 percent, despite a 5.5 percent rise in sales.

Construction firms marked a 17.5 percent fall in pretax profits on 1.7 percent lower sales.

Capital investment by electric machinery makers notably increased by 35.4 percent from a year earlier, contributing to the 1.3 percent growth in the manufacturing industry, while most other sectors, such as steel, chemicals and transport machinery, declined.

Capital spending by nonmanufacturing businesses broadly decreased, with that of the real estate sector falling 18.9 percent and that of construction firms 10.4 percent.

Komura Backs Cuts in Land, Securities Taxes

OW1606091595 Tokyo KYODO in English
0253 GMT 16 Jun 95

[FBIS Transcribed Text] Tokyo, June 16 KYODO — The nation's top economic planner Masahiko Komura on Friday [16 June] threw his weight behind a proposal to cut the land transaction tax and the securities transaction tax in an attempt to revive Japan's anemic economy.

Komura, director general of the Economic Planning Agency (EPA), was supporting the proposal made Thursday by Liberal Democratic Party Secretary General Yoshiro Mori.

Komura told a news conference, "it is crucial to take measures to reactivate the stock market and alleviate the current sluggishness in land transactions."

The government "has to identify specific measures in the text" of yet another stimulative package whose compilation is now under study, Komura said.

Mori said Thursday the government should soften taxation on profits accruing from sales of land plots, cut or abolish the landholding tax and cut the securities transaction tax.

Komura rejected statements from some executives of the ruling coalition parties that the economic assessment in the latest monthly economic report issued by his agency is too optimistic.

"Although each person tends to develop his or her own varying impressions about economic conditions, (the wording in) the report was adopted on the basis of readings of various economic indicators," he said.

Market Share of Foreign Semiconductors Viewed

OW1506141795 Tokyo KYODO in English
1356 GMT 15 Jun 95

[FBIS Transcribed Text] Tokyo, June 15 KYODO — The share of foreign semiconductors in the Japanese market exceeded the targeted 20 percent in the January-March quarter this year for the sixth straight quarter, the Ministry of International Trade and Industry and the office of the U.S. Trade Representative said Thursday [15 June].

Under U.S. calculations, the share stood at 22.8 percent, down 0.9 percentage point from the previous quarter, and up 2.1 percentage points from the same period the year before.

The share was 23.6 percent under Japanese calculations, down 1.1 percentage points from the preceding three months, and up 1.6 percentage point from a year before.

It was the first time in four quarters for the share to decline from the preceding quarter.

But an official at the Japanese Trade Ministry said the drop was not worrying. "It is not a drop that one would be concerned about," he said, attributing the decline to the "growing demand in the semiconductor market as a whole amid brisk sales of personal computers."

He said the value of sales by foreign chipmakers in Japan continues to be steady. Under Japanese calculations, sales by foreign manufacturers totaled about 180 billion yen in the January- March quarter, down slightly from the previous quarter. Under U.S. calculations, the figure came to around 170 billion yen, slightly higher than the preceding quarter.

Economic Package To 'Front-Load' Public Works

OW1506124895 Tokyo KYODO in English
1220 GMT 15 Jun 95

[FBIS Transcribed Text] Tokyo, June 15 KYODO — The coalition government is planning to front-load as much as possible public works planned for fiscal 1995 as it prepares an additional package of measures to give a lift to feeble economic activity, government sources said Thursday [15 June].

In addition to public works projects included in the fiscal 1995 budget and a supplementary budget for the year, the package will call for the compilation of a second extra budget this fall including more public works, the sources said.

For the new package, the government will consider additional spending on reconstruction work after the Jan. 17 great Hanshin earthquake as well as "economic frontier" projects such as those to improve Japan's disaster prevention system and information infrastructure, the sources said.

In April, the government mapped out an emergency package of measures to cope with the yen's steep appreciation which was feared to trip up the burgeoning economic recovery.

But as the package has failed to produce intended results, the government is planning to work out basic programs for the additional package next week when Prime Minister Tomiichi Murayama and other cabinet ministers return home from the seven-nation summit in Halifax, Canada, the sources said.

To help the stock market pull out of its prolonged quagmire, the new package will call for the introduction of "ministocks," or stocks affordable to small investors due to the reduced minimum unit of trading, and easier requirements for registration on the over- the-counter stock market so as to foster venture businesses, the sources said.

In the additional package, the government will also declare its resolve to promptly deal with bad loan problems tormenting financial institutions, based on basic measures announced by the Finance Ministry last Thursday, the sources said.

The government will also pay heed to strong demand in the ruling coalition that stock and land trading should be stimulated by abolishing the securities transaction tax and lowering taxes on profits from land sales, the sources said.

Indictments of 18 in Sewage Works Bid-Rigging

OW1506072995 Tokyo KYODO in English 0656 GMT 15 Jun 95

[FBIS Transcribed Text] Tokyo, June 15 KYODO — A former senior official of the semiofficial Japan Sewage Works Agency (JSWA) was indicted Thursday [15 June] in a bid-rigging scandal along with 17 employees of nine large and medium-sized electrical equipment companies, prosecution sources said.

The indictments were filed with the Tokyo High Court without the arrest of any of the officials, who are accused of violating the antimonopoly law in the scandal.

The firms involved are five industry leaders — Hitachi Ltd., Toshiba Corp., Mitsubishi Electric Corp., Fuji Electric Co. and Meidensha Corp. — as well as four smaller companies — Yaskawa Electric Corp., Nissin Electric Co., Shinko Electric Co. and Takaoka Electric Mfg. Co.

It will be the first time for a semigovernmental body which calls for public tenders to be held criminally liable.

All the 18 officials have admitted their involvement when questioned by prosecutors on suspicion of violating the antimonopoly law, the sources said.

The nine firms are suspected of fixing which companies would be successful in bidding for electrical equipment installation projects ordered in fiscal 1993 by local governments through the JSWA, the public corporation in charge of sewage system construction, the sources said.

The group allegedly decided the five major companies among their number would take 75 percent of the money received in the transactions, while the smaller firms would share 25 percent, they said.

Prosecutors have decided to indict the JSWA executive as he allegedly helped the nine firms prearrange the shares of each successful bidder by informing them of the agency's annual plan for sewage system construction as well as planned spending, the sources said.

Keidanren Forms Working Group on Bad Loans

OW1506132295 Tokyo KYODO in English 1240 GMT 15 Jun 95

[FBIS Transcribed Text] Tokyo, June 15 KYODO — The Federation of Economic Organizations (Keidanren) set up a working group Thursday [15 June] to assess the inhibiting impact of bad loans at financial institutions on economic activity, officials said.

At Thursday's meeting, group members agreed on the need to draw up as soon as possible Keidanren's view on bad loans which are widely viewed as a major destabilizing factor for the economy.

The working group will ponder ways to resolve the bad-loan question, such as a proposal to use public funds in order to help bail out financial institutions beleaguered with huge nonperforming loans, the officials said.

The group intends to work out the Keidanren view by the end of July.

Local Governments Urged To Aid Credit Unions

OW1506131395 Tokyo KYODO in English 1223 GMT 15 Jun 95

[FBIS Transcribed Text] Osaka, June 15 KYODO — Prefectural governments nationwide should play a leading role in helping troubled credit unions write off bad loans, a senior Finance Ministry official said Thursday [15 June].

Vice Finance Minister Kyosuke Shinozawa told reporters that the national government will consider measures to aid credit unions with heavy bad-loan burdens but added that Prefectural governments should first come up with measures to deal with the problem.

As for the economic outlook, he said the nation is plagued by uncertainties stemming from the yen's appreciation on the foreign exchange market.

Beijing Accepts Price Hike on Steel Products

OW1406132395 Tokyo KYODO in English 1305 GMT 14 Jun 95

[FBIS Transcribed Text] Tokyo, June 14 KYODO — China has accepted an average 20 percent hike in the price of steel products imported from Japan's Nippon Steel Corp., the Japanese company reported Wednesday [14 June].

The world's leading steelmaker said new prices will apply on shipments from August this year to January next year.

Company officials said the new price for hot rolled plate will be about 400 dollars per ton and that for cold rolled will be about 500 dollars per ton.

They said it was the first price agreement reached in individual negotiations. Japanese steelmakers and China previously set steel prices through collective bargaining.

Industry analysts said China has accepted the price hike mainly because the supply-demand situation of rolled steel has become tight in China, reflecting its strong economic growth.

British Firm To Enter Investment Trust Business

OW1406140595 Tokyo KYODO in English 1318 GMT 14 Jun 95

[FBIS Transcribed Text] Tokyo, June 14 KYODO — G T Management PLC, a British asset management company, is planning to enter the investment trust management business in Japan through its subsidiary, an official at the subsidiary said Wednesday [14 June].

By as early as the end of the month, G T Management (Japan) Ltd. hopes to establish yen-denominated trust funds for investment in Asian stocks and sell them through domestic brokerages.

G T Management (Japan), set up in 1983, will change its name to GT Investment Trust Co.

It is the first time for an investment advisory firm to enter the investment trust management business since the government gave the go-ahead for such moves early this year.

Fuji Xerox, PRC Firm Enter Joint Venture

OW0706141295 Tokyo KYODO in English 1328 GMT 7 Jun 95

[FBIS Transcribed Text] Tokyo, June 7 KYODO — Fuji Xerox Co. said Wednesday [7 June] it has set up a joint venture with a Chinese unit of Xerox Corp. of the United States to produce low-end laser printers in China starting around next February.

Capitalized at 25 million U.S. dollars, the joint company, Xerox High-Technology Co. of Shenzhen Ltd., is 90 percent owned by Fuji Xerox and 10 percent by Xerox (China) Ltd.

Fuji Xerox is a fifty-fifty joint venture between Fuji Photo Film Co. of Japan and Rank Xerox Ltd., a subsidiary of Xerox Corp.

The new company, headquartered in the Shenzhen Special Economic Zone in Guangdong Province, southern China, is aiming to turn out about one million laser printers a year.

Fuji Xerox and Xerox Corp. jointly entered the market for low-end laser printers in October 1991 by setting up a joint sales company in the U.S., Xerox International Partners.

Minolta Announces Camera Sales in PRC

OW1506113795 Tokyo KYODO in English 1104 GMT 15 Jun 95

[FBIS Transcribed Text] Osaka, June 15 KYODO — Minolta Co. said Thursday [15 June] it will market in China two compact camera models made by its local joint venture.

The cameras will go on sale Tuesday, with a combined production target of 60,000 units per month.

Minolta said it is the first foreign company in China to sell locally made cameras.

The two models — the Minolta C10 and Minolta C20 — come with such functions as a flash lamp and self-timer as standard, the leading camera maker said. They will be offered for the equivalent of 5,000 and 7,000 yen.

The joint company in Shanghai was established last year.

Mitsui To Begin Mobile Phone Business in China

OW1606013995 Tokyo KYODO in English 2333 GMT 15 Jun 95

[FBIS Transcribed Text] Tokyo, June 16 KYODO — Major trading house Mitsui and Co. will begin mobile phone business in China in a linkup with the country's new common carrier, an economic daily said Friday [16 June]. Mitsui will set up a joint company with the Chinese company, created last year as a way to infuse competition in the Chinese telecom market, the NIHON KEIZAI SHIMBUN said.

Mitsui will provide the new company with 16 million dollars to finance construction of facilities by the Chinese carrier, which plans to begin mobile phone services in Shanghai, Beijing, Tianjin and Guangzhou in July, the paper said.

Mitsui and the Chinese common carrier will also tie up on purchases and marketing of phone terminals, and maintenance services, it said.

China does not allow foreign investment into its telecom market. The latest move to open the market to Mitsui as an exceptional step reflects Beijing's pressing need for money to finance facility construction for booming mobile phone services, the paper said.

Review of Disaster Preventive Measures Urged

OW1606023095 Tokyo KYODO in English 0207 GMT 16 Jun 95

[FBIS Transcribed Text] Tokyo, June 16 KYODO — An annual government report on natural disasters called

Friday [16 June] for a sweeping review of preventive measures following January's devastating earthquake while expressing appreciation for foreign aid offers.

The white paper on disaster prevention, prepared by the National Land Agency, urged revision of a relevant law, and promotion of quake-resistent buildings and structures.

The governments of 76 countries and regions offered assistance following the Jan. 17 great Hanshin earthquake that devastated much of Kobe and its vicinity, and killed 5,504 people, the report said, adding Japan accepted aid from 44 nations.

It was the first time for Japan to receive assistance from so many countries since the 1923 great Kanto earthquake that killed nearly 143,000 people in Tokyo and its surrounding area, the Foreign Ministry said.

The government accepted personnel assistance from France, Switzerland, Thailand and the United States. Search teams arrived from France and Switzerland with rescue dogs.

Sri Lanka sent 3 tons of tea, nepal gave 500 wool shawls and Finland provided 300 cellular phones.

Many countries also sent money, ranging from 2,500 dollars from Palau to 6 million dollars from Kuwait.

A Foreign Ministry official said donations were received from some countries with relatively low incomes which made Japan feel "warmhearted."

The 44 countries included North Korea, which does not have diplomatic relations with Japan.

The Foreign Ministry did not consider the matter of formal ties when deciding on what foreign aid to receive but turned down aid the disaster area did not want, officials said.

From within Japan, a total of 1.17 million volunteers went to the disaster area within three months after the quake to supply food, transport relief supplies, and care for children, the elderly and the handicapped.

The quake was the worst disaster in the postwar era, surpassing the 5,098 deaths in the 1959 typhoon that hit the ise bay area in central Japan, the report said.

As many as 320,000 people were forced to evacuate to public shelters in quake-hit Hyogo Prefecture, with total damage estimated at 9.6 trillion yen as of Feb. 14.

Table of Parliamentary Strength

OW1606045895 Tokyo KYODO in English 0319 GMT 16 Jun 95

[FBIS Transcribed Text] Tokyo, June 16 KYODO — The following is a table of parliamentary strength in both houses of the Diet following the departure Friday [16 June] of Socialist Democratic Party member Sachiko Maehata from the party's parliamentary bloc in the House of Councillors:

House of Representatives	House of Councillors
Ruling Coalition:	
LDP [Liberal Democratic Party] - Liberal League 208	LDP 93
SDP[J] [Social Democratic Party of Japan] 64	SDP 62
New Party Sakigake [Harbinger] 21	
Opposition:	
Shinshinto [New Frontier Party] 171	Heisei Kai 49
JCP [Japan Communist Party] 15	Shin Ryokufu Kai 13
Minshu-No-Kai 5	JCP 11
New Democratic Club 3	Shinto-Goken Liberal 5
Independent Club 3	Niin Club 5
	Minshu-No-Kai 2
Independents 12	Independents 10
Vacancies 9	Vacancies 2
Total 511	252

LDP Policy Platform Drawn Up for Election

OW1506141495 Tokyo KYODO in English 1340 GMT 15 Jun 95

[FBIS Transcribed Text] Tokyo, June 15 KYODO — The Liberal Democratic Party (LDP), the dominant partner in the ruling coalition, has drawn up its policy platform to fight the House of Councillors election in July, LDP sources said Thursday [15 June].

It advocates a creative nation in science and technology, the development of new economic fields through the enlargement of social infrastructure, the creation of new technology and the structural reform of established industries, among others.

The LDP preserved as a campaign pledge the realization of official visits by cabinet ministers to the Yasukuni Shrine in Central Tokyo to mourn the Japanese war dead in World War II.

Cabinet ministers' visits to the shrine are controversial since Japan's postwar constitution, drawn up by allied occupation forces seeking to eliminate any connection between the wartime Shinto state and politics, stipulates separation of religion and state.

The platform also calls for setting up a new panel in either the cabinet or the Diet to promote popular discussion of the constitution.

Among other features, the campaign promise calls for a large- scale reduction of the nation's trade surplus with the United States.

On the comprehensive economic talks with the U.S., the LDP says it will seek an early settlement of disputes.

As a pledge to mark the 50th anniversary of World War II, the LDP stresses that Japan should "look back upon" the history of its relations with neighbors in the Asia-Pacific region.

The largest opposition party Shinshinto (New Frontier Party) announced an election platform last week featuring a 10 trillion yen pump-priming package.

NFP Members File Suit Over War Resolution

OW1606085995 Tokyo KYODO in English
0614 GMT 16 Jun 95

[FBIS Transcribed Text] Tokyo, June 16 KYODO — Two lawmakers from the leading opposition party Shinshinto (New Frontier Party [NFP]) filed Friday [16 June] a lawsuit seeking to have the recent Diet resolution to commemorate the 50th anniversary of the end of World War II declared invalid.

Masahiko Yamada, a Shinshinto member of the House of Representatives, and Sadao Hirano, a Shinshinto member of the House of Councillors, filed the suit with the Tokyo district court against lower house speaker Takako Doi, in a rare example of a legal judgment being sought over a Diet resolution.

They say the resolution violates the constitution, which guarantees freedom of thought, and is invalid because it failed to obtain the support of a majority of lower house members.

The three-party ruling coalition rammed the resolution, designed to express repentance for Japan's wartime acts, through the lower house last Friday in the absence of Shinshinto members.

The passage came after the tripartite coalition rejected Shinshinto's amendment aimed at ensuring that the resolution mentions Japan's responsibility for wartime atrocities.

The resolution, approved by a majority standing vote, expresses "deep remorse" for Japan's invasion of Asian countries and colonial rule.

The two Shinshinto members argue that whether Japan waged a war of aggression or whether the Pacific war was an expression of Japan's colonial power should be left to the free judgment of each individual.

North Korea

Foreign Ministry Statement on Reactor Agreement

SK1506134495 Pyongyang Korean Central Broadcasting Network in Korean
1210 GMT 15 Jun 95

["Press statement" released by DPRK Foreign Ministry spokesman in Pyongyang on 15 June — read by announcer]

[FBIS Translated Text] While answering questions from a Korean Central News Agency reporter in connection with the conclusion of the DPRK-U.S. talks in Kuala Lumpur, a DPRK Foreign Ministry spokesman today released the following press statement:

Press statement by a DPRK Foreign Ministry spokesman:

As has been known, the DPRK-U.S. talks, which began on 19 May in Kuala Lumpur, were concluded on 12 June and a joint DPRK-U.S. press statement was released at the end of the talks.

As a final agreement was reached at the talks, the DPRK-U.S. agreed framework, which had been at a grave crossroads, could be saved from a crisis for now.

The results of the talks clearly show that our position, which we consistently maintained with regard to the implementation of the DPRK-U.S. agreed framework and which includes the issue of the provision of light-water reactors, was just.

The DPRK-U.S. agreed framework is, in essence, the U.S. provision of light-water reactors versus our nuclear freeze.

We completely froze the graphite-moderated reactor and its related facilities and sincerely fulfilled other duties of ours since the DPRK-U.S. agreed framework was adopted.

However, as for the U.S. side, its duty of providing light-water reactors stipulated in the agreed framework has not been fulfilled appropriately. This attitude by the United States was clearly shown in the course of the expert negotiations on the provision of light-water reactors, which were held from 30 November last year to 20 April this year.

At the expert negotiations on the provision of light-water reactors, we maintained the position that all the United States has to do is to responsibly provide light-water reactors based on advanced technology and design to us and that we do not care about whom the United States will have participate in manufacturing and building light-water reactors.

However, the U.S. side, instead of sincerely dealing with our consistent and principled position, tried to link the issue of the provision of light-water reactors with the Korean Peninsula Energy Development Organization [KEDO] and did not make it clear that it would take full responsibility.

In particular, in selecting a light-water reactor model, the U.S. side insisted on the nonexistent ROK model and even said that unless we accept this model, it cannot sign an agreement to provide light-water reactors. The expert negotiations on the provision of light-water reactors, which lasted for six months, eventually broke up finally without reaping any fruit.

The U.S. side, on an emergency basis, proposed political talks after the breakdown the Berlin expert negotiations on light-water reactors. Therefore, we magnanimously accepted the talks to inquire into the intention of the United States.

However, the U.S. side still insisted at the talks, too, that the sides stipulate in the joint press statement that the light-water reactor model will be a ROK model and that the sides accept South Korea's central role. Therefore, this contradicted our consistent and reasonable proposal. As a result, the talks had to undergo complicated procedures for more than 20 days.

Under these circumstances, we told the U.S. side that we had no choice but to act on our own decision in the belief that it had no intention to implement the agreement. Then, fortunately, the U.S. side expressed its understanding of our consistent proposal and accepted it in the final stage of the talks, and a final agreement could be reached, as a result.

The joint DPRK-U.S. press statement released this time defines the model of light-water reactors to be supplied to us as the advanced version of U.S.-origin design and technology and clearly specifies the responsibility of the United States in executing the light-water reactors project.

This shows in practice that the ROK-model light-water reactor does not exist and cannot be a topic of discussion. Eventually, the letter of agreement signed this time has provided a firm basis to ensure that we inspect to see whether light-water reactors that meet our requested conditions are supplied and that we receive keys after they are built completely in compliance with our demands.

Another important point of the agreement is the reconfirmation that the United States is our only principal contact in the process of carrying out the light-water reactor project. The DPRK-U.S. joint press statement reconfirmed the ultimate responsibility of the United States in the light-water reactor project, including that mentioned in the letter of assurance from the U.S. President, and stipulated concrete measures to maintain the responsible position of the United States in the system.

It is true that KEDO is to be involved in the light-water reactor project. However, KEDO is an organization established according to the U.S. needs under the condition in which the United States cannot directly pay for the cost of the light-water reactors to be supplied to us due to the country's law now in force. Thus, what KEDO does is the internal matter of the United States and we do not feel it necessary to interfere and do not care a bit.

Even if KEDO, which is under U.S. leadership, selects a prime contractor, it is obvious that a contractor who cannot but follow the U.S. intention will be selected. As in the past, we do not care how the United States operates KEDO and will not take part in it. We will simply regard the United States, which represents KEDO, as our principal point of contact in connection with the light-water reactor issue.

The DPRK-U.S. joint press statement also stipulates that in order for the United States to carry out its role as our principal contact, U.S. citizens will lead the KEDO delegations and working teams. In the event any third party of KEDO tries to poke its nose into the matter, not knowing where to sit or stand, the issue will grow complicated.

The DPRK-U.S. joint press statement announced by the talks stipulates that the preliminary costs in building the light-water reactors — site survey and site preparation costs — are to be borne by KEDO under U.S. leadership. In light of the political nature of the light-water reactor issue, it is natural that the dialogue partner agreed to this, which we believe is a good precedent.

The two sides also reached an agreement on other issues, including the delivery of heavy oil, which did not warrant much discussion because it is what the United States was supposed to do.

Even though the talks derived an agreement on a series of impending important principles in implementing the DPRK-U.S. agreed framework, not everything was satisfactorily resolved. To implement the DPRK-U.S. agreed framework, there are many problems ahead to be solved. In connection with this, we only have to implement the obligation of freezing nuclear activities, which we have done so far.

Now, the United States should do the rest.

The problem is how the United States exerts its effort to implement its obligations as it promised in the agreement. In this view, our future sincerity in implementing the obligation of freezing nuclear activities entirely depends on the position and action of the United States.

U.S. Soldiers' 'Atrocities' in South Recounted

SK1606095395 Pyongyang Radio Pyongyang in Korean to South Korea 0900 GMT 15 Jun 95

[Unattributed talk: "Traitor Kim Yong-sam Who Pleads for U.S. Soldiers' Atrocities" from the "Hour for South Korean Armed Forces" program]

[FBIS Translated Text] Soldiers of the South Korean Armed Forces: As you know, the crimes by soldiers of the U.S. Forces in South Korea are increasing with each passing day. Not long ago, a group of U.S. soldiers perpetrated an atrocity of beating two Korean employees at a bar for U.S. soldiers in Tongduchon, Kyonggi Province. Earlier, at this bar, a U.S. Army sergeant named Robert, making a commotion under the influence of alcohol, committed an atrocity of beating a Korean woman on her face and inflicting a severe injury upon her. Last May, too, numerous criminal acts were perpetrated by U.S. soldiers.

The acts of violence committed by U.S. soldiers in recent months alone are countless indeed. They include an incident that occurred in a subway station in Seoul, in which a group of U.S. soldiers beat and inflicted severe injury upon a young Korean who tried to stop their atrocity of making a sexual attack on a Korean woman; and an incident in Chunchon city, in which a group of U.S. soldiers stopped a taxi and beat the Koreans aboard the taxi without reason.

According to a report by the National Alliance [as heard], on an average, more than five crime cases committed by U.S. soldiers take place daily. Your parents, brothers, and sisters are being insulted and killed every day in South Korea because of the crimes committed by U.S. soldiers such as murder, robbery, rape, and plundering.

Such increasing crimes by U.S. soldiers in South Korea are due to the flunkeyist and treacherous acts by the traitorous Kim Yong-sam clique which is trying to maintain its remaining life through currying favor with its boss.

Traitor Kim Yong-sam has not revised the Status of Forces Agreement [SOFA] between South Korea and the United States, a humiliating agreement. Rather, he is suppressing the just struggle of those people calling for a revision of the agreement.

Taking advantage of the humiliating and unequal SOFA, U.S. rascals have committed all sorts of crimes at random. Rather, they have been free from legal sanctions. The puppets themselves, too, have given up their jurisdiction over U.S. criminals under the pretext of the agreement.

The crimes committed by U.S. soldiers last year increased 9.3 percent over the previous year. Nevertheless, the puppets indicted only 10 cases, a half of the total crimes committed by U.S. soldiers during that period. Still worse, no one knows whether those who indicted for the crimes are punished.

The Kim Yong-sam puppet clique has protected and patronized U.S. criminals while turning a deaf ear to the voices of the South Korean people calling for a severe punishment on them. The puppets have handed over U.S. criminals to the U.S. Army authorities without carrying out detailed investigations. The puppets have been unable to protest the U.S. Army authorities's arrogant and insolent act of denying all crimes committed by U.S. soldiers.

Furthermore, the Kim Yong-sam clique has gone so far as to take the foolish act of thoroughly banning the publication of news on the crimes by U.S. soldiers. This is because Kim Yong-sam fears that if these crimes stir up an unfavorable public sentiment, this would invite his boss's displeasure.

It is precisely the Kim Yong-sam puppet clique's act to brutally beat reporters covering the incidents over U.S. soldiers' crimes, while being unable to touch a single strand of hair of criminals. It is also precisely the Kim Yong-sam clique's act to threaten a woman who revealed that she had been captured by U.S. soldiers for nine months and suffered sexual assault, with arrest and detention, branding her as a criminal.

Reporting this fact, a South Korean magazine deplored that the authorities, the police, and the laws had turned a deaf ear to all the ardent requests of the young woman.

In retrospect, the disaster, misfortune, and sufferings of your parents, brothers, and sisters are countless due to soldiers of the U.S. imperialist aggression forces who are committing all sorts of criminal acts such as murder, robbery, plundering, and arson. Therefore, your parents, brothers, and sisters are rising up in the struggle against the Kim Yong-sam clique's treacherous act.

Embarrassed by the South Korean people's increasing voices calling for a revision of the SOFA, traitor Kim Yong-sam is clamoring as if he were reviewing to revise some articles in the agreement. However, this is nothing but a trick to alleviate the South Korean people's anti-U.S. sentiment and to conceal his flunkeyist and treacherous colors.

As long as such a traitor and a nation seller as Kim Yong-sam keeps hold on to the post of power, the tyranny and atrocities of the U.S. aggression forces will become more unscrupulous, and, consequently, your parents, brothers, and sisters will suffer greater disaster and sufferings. Such being the situation, how can you continuously play the role as a watchman who defends the dirty life of Kim Yong-sam?

Officers and men of the South Korean Armed Forces should rise up in the struggle to overthrow the traitorous Kim Yong-sam clique. This is precisely the road of genuine life, the road for the country and the nation.

GM Considers Auto Accessory Plant in Najin

SK1606043395 Pyongyang KCNA in English
0424 GMT 16 Jun 95

[FBIS Transcribed Text] Pyongyang, June 16 (KCNA) — The General Motors [GM] Company of the United States has expressed a strong willingness to build an automobile accessory plant in the Najin-Sonbong Free Economic and Trade Zone of the Democratic People's Republic of Korea, which is called a "golden triangle".

This intention was declared after the company delegation made a detailed survey of Najin Port, Huchang and Hongui Industrial Districts and other areas of this triangle from May 28 to 30. The company already showed up its will to invest when the delegation visited the triangle in mid-February.

Vice-President of the General Motors Asian and Pacific Operations (PTE) Ltd. Charles Randolph, who was leading the delegation, expressed great satisfaction at the favourable geographical conditions of the triangle. He said with confidence that an investment might gain great benefits.

He said the company is willing to build a large-scale automobile accessory plant in the zone and export a great deal of products to Northeast Asia and countries.

Daily Blasts South Claims of Labor Manipulation

SK1606044995 Pyongyang KCNA in English
0438 GMT 16 Jun 95

["Hunting Dog of 'Chongwadae' Barks Again" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, June 16 (KCNA) — The president of Sogang University of South Korea, Pak Hong, recently alleged that the sit-in of the telecom's unionists at the Myongdong Cathedral and Chogye Temple was "manipulated behind scene by the North" and the North is "encouraging a solidarity general strike throughout South Korea on the threshold of local autonomy elections."

Commenting on his poppycock, NODONG SINMUN today says this is another round of the false propaganda by the scenario of "Chongwadae [presidential offices]."

The analyst says:

Pak Hong is as good as a hunting dog.

As was already exposed, he is an extra-fine hunting dog serving "Chongwadae", a spy of the "Agency for National Security Planning" and a fascist tyrant in the guise of "educationist" who made a downright lie concerning the "chuche idea faction" in late July last year so that the fascist clique could launch a wholesale suppression of patriotic champions of reunification and democracy by relating them with the North. Earlier, in 1983 and 1991, he was active as a waiting maid and a cat's-paw of the military dictatorial regime.

The Kim Yong-sam group are now using the hand-raised running dog of theirs again in a bid to invent a new rumor about the "North's behind-scene-manipulation of the labor movement" and harshly suppress all the workers in sit-in by charging them with being pro-communist elements.

Though they are going to launch a fresh repressive offensive to crack down the ever mounting labor movement and ensure the security of their power, the angry, awakened South Korean people will never tolerate it. They will dump the traitor Kim Yong-sam and his hunting dog in the rubbish heap of history.

Teachers in South Call for Educational Reforms

SK1606101595 Pyongyang KCNA in English
1002 GMT 16 Jun 95

[FBIS Transcribed Text] Pyongyang, June 16 (KCNA) — Teachers in Pusan, South Korea, called a press conference at Chungbu Church in the city of Pusan on June 13, at which they made public a "declaration of 100 incumbent teachers for correct educational reforms", a radio report from Seoul said.

In the declaration they contended that there are many contradictions and problems in the authorities' "educational reforms programme", and called for the legitimation of the independent teachers' organization and the guarantee of teachers' right to solidarity.

Comfort Woman Demands Government Compensation

SK1606102595 Pyongyang KCNA in English 1008 GMT 16 Jun 95

[FBIS Transcribed Text] Pyongyang, June 16 (KCNA) — Kim Hyang-suk, an old woman residing in Tanchon, South Hamgyong Province, urged the Japanese authorities to make a governmental compensation.

She is a victim of sex slavery forced by Japanese imperialism.

In an article contributed to NODONG SINMUN as regards the "comfort women for the army" issue, she rejected the "civilian fund" program which is now under way by the Japanese authorities, asking how the unheard-of anti-ethical crimes, whereby over 200,000 women's honor and dignity were violated and their bodies were totally destroyed, could be skipped with some pennies gathered from civilians as "comfort fund".

Kim Hyang-suk was born in Kwangju, South Cholla Province of South Korea. In early August, 1944 when she was 17 years old, she was dragged into the "comfort station" of a Japanese Army unit in northeast China. There she had to undergo unimaginable insults and sufferings.

She said:

Japanese servicemen forced women to respond to their want by shaking them by the hair, kicking, piercing and even firing a pistol and letting a dog bite them.

Worse still, they treated those women as an Abigail, asking them to wash their feet and underwear. They would say: "Korean women are slaves. You slaves should obey or die."

One day an officer asked me to cut his toenails. But unsatisfied at my cutting, he twisted my ear, slapped me on the cheek and even showered the washed water on me before satisfying his carnal desires.

I could escape, together with my colleagues, from there two days before the liberation of the country, but could not be married owing to the aftermath.

The Japanese authorities must make a thoroughgoing investigation into the truth behind the crimes committed by Japanese imperialism in the past, make it public unreservedly and punish those responsible.

I and all other former "comfort women" strongly urge the Japanese authorities to make compensation to all victims including the survivors and the bereaved families.

I strongly demand once again that the Japanese authorities admit the past crimes and make a governmental compensation.

Commerce Ministry Delegation Returns From China

SK1606074395 Pyongyang Korean Central Broadcasting Network in Korean 1300 GMT 12 Jun 95

[FBIS Translated Text] The Commerce Ministry delegation led by Vice Minister Kim Pong-chol, returned home from its visit to China by train on 11 June.

Vice Commerce Minister Yi Sok-ki was on hand at Pyongyang Station to welcome the delegation.

Radio Reports Kim Chong-il Visits KPA Unit on Navy Day

SK1506232695 Pyongyang Korean Central Broadcasting Network in Korean 2100 GMT 15 Jun 95

[FBIS Translated Text] On the occasion of Navy Day, Comrade Kim Chong-il, the supreme commander of the Korean People's Army [KPA], visited Unit 853 of the KPA and congratulated the marines.

On Navy Day, Comrade Kim Chong-il, the chairman of the DPRK National Defense Commission and KPA supreme commander, as well as the great leader [yongdoja] of our party and people, visited Unit 853 of the KPA and congratulated the marines.

Hung at the unit were such revolutionary and militant slogans as "Long live the respected and beloved supreme commander Comrade Kim Chong-il!"; "Let us fight by sacrificing our lives for the respected and beloved supreme commander Comrade Kim Chong-il!"; and "Let us all become one-is-a-match-for-100 all-around marines!"

On the unit's combat vessels [chontuham], the flag of the supreme commander, the flag of the Navy, and the flag of decoration fluttered in the wind. Marines lined the deck.

At 10:00 am [0100 GMT], the respected and beloved Supreme Commander Comrade Kim Chong-il arrived at the unit.

Receiving the KPA supreme commander Comrade Kim Chong-il on the spot were Comrade Kim Ki-nam, member of the Central Committee of the Workers Party of Korea [WPK] and secretary of the party Central Committee; Comrades Yi Ha-il, Kim Il-chol, and Kim Yong-kuk, members of the WPK Central Committee, members of the WPK Central Military Commission, and KPA generals; Comrade Kim Ha-kyu, member of the WPK Central Committee and a KPA colonel general; Comrade Pak Chae-kyong, candidate member of the WPK Central Committee and a KPA colonel general; Comrade Kim Ki-hak, a KPA lieutenant general; and commanders of the unit.

Amid the storm of roaring cheers of hurrah reverberating on the deck of the combat vessels [chontuham], the soldiers conveyed to the supreme commander Comrade Kim Chong-il a fragrant bouquet filled with the boundless respect and admiration of the entire officers and soldiers of the People's Army.

Comrade Kim Chong-il warmly congratulated the marines of the unit who are achieving new accomplishments in combat and political training.

Comrade Kim Chong-il inspected the combat material and technical equipment of the unit. While watching some military training, Comrade Kim Chong-il expressed great satisfaction over the fact that our Navy has grown up as a one-is-a-match-for-100 armed forces that can smash any enemy invasion with a stroke; he set forth the programmatic tasks that serve as guidelines in strengthening and developing the People's Army as an invincible revolutionary armed forces.

Comrade Kim Chong-il then visited a mess hall and state rooms of the unit, acquainting himself with the marine's life. Upon receiving reports on the processing of non-staple foodstuffs, on the state of meal service, and on the soldiers' cultural and leisure life, Comrade Kim Chong-il said special interest should be directed to marines who impregnably protect the fatherland's seas. He bestowed warm love and benevolence on them.

[Pyongyang KCNA in English at 0409 GMT on 16 June carries a similar report which renders the preceding paragraph as follows:

"Comrade Kim Chong-il was informed of the actual conditions of nonstaple food processing, food supply, cultural life and rest and showed deep loving care and benevolence for the seamen, saying that particular attention should be paid to the livelihood of the seamen who are firmly defending the seas of the country."]

Along with accompanying cadres, Comrade Kim Chong-il saw the performance by the unit's art team. Various art events—including a part song and chorus "See Us," a story of the chorus "Evening at the Military Port," a solo and off-stage song "The Song of a Soldier," a wooden pipe ensemble "Revolutionary Song and Drama," and a choral speaking of a poem and chorus "We Will Live Forever By Protecting the Fatherland's Sea"—clearly showed the revolutionary will and militant spirit of the one-is-a-match-for-hundred marines as well as their energetic and optimistic life.

Comrade Kim Chong-il praised the unit soldiers' standard of culture and art as very high and pointed out that the fruitful days of youth should be spent valiantly, courageously, cheerfully, and optimistically as marines.

Comrade Kim Chong-il took a commemorative picture with the unit's soldiers. All the soldiers of the unit were overwhelmed with great joy and deep gratitude over the fact that the respected and beloved supreme commander Comrade Kim Chong-il, whom they always longed to see, came to a guard post at sea with high waves and elucidated the bright future road for the development of the naval armed forces and bestowed endless warm love and benevolence on them. They were filled with a firm resolve to thoroughly implement the militant tasks set forth by the respected and beloved comrade supreme commander, and thus protect the fatherland's sea by staking their lives.

Further on Visit to Naval Unit

SK1606042495 Pyongyang KCNA in English 0413 GMT 16 Jun 95

["Supreme Commander Kim Chong-il Visits KPA Naval Unit, Sets Tasks To Strengthen KPA" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, June 16 (KCNA) — The great leader Comrade Kim Chong-il, chairman of the National Defence Commission of the DPRK and supreme commander of the Korean People's Army [KPA], visited KPA Unit 853 on Day of the Navy.

He warmly congratulated the seamen of the unit on the new successes registered in their combat and political training.

Going round the combat and technical equipment of the unit and appreciating its military training, he expressed deep satisfaction over the fact that the navy of the Korean People's Army has grown up to be one-match-for-a-hundred Armed Forces which can defeat any invasion of the enemy at one stroke, and set forth highly important tasks to further strengthen and develop the People's Army into invincible revolutionary Armed Forces.

He posed for a photograph with the soldiers of the unit.

Entering this year, he visited KPA Unit 214, the Women's Coastal Artillery Company of Unit 291 in a frontline area, Unit 155 and Unit 1017 and powerfully inspired soldiers and attended a meeting of KPA company commanders and political instructors to encourage the whole army to accomplish the chuche cause of army building.

The cause started by the great leader President Kim Il-song is now being reliably defended and successfully carried forward by Comrade Kim Chong-il.

Visitors Praise Kim Chong-il's Leadership

SK1606103895 Pyongyang KCNA in English 1014 GMT 16 Jun 95

[FBIS Transcribed Text] Pyongyang, June 16 (KCNA) — Foreign visitors to Korea have spoken highly of the great leader Comrade Kim Chong-il's man-centred politics.

Pallab Sen Gupta, general secretary of the World Federation of Democratic Youth, said that the Korean people are effecting new innovations in politics, the economy, culture and all other fields to carry through the instructions the great leader Comrade Kim Il-song gave in his lifetime.

What impressed him most during his visit to Korea is that the leader and the people are in a singlehearted unity, he said, adding:

With this strength of singlehearted unity the Korean people are dynamically advancing towards socialism without vacillation.

David Kaseera Kibirango, special advisor to the president of Uganda, said that as they are led by the dear leader Comrade Kim Chong-il the Korean people are making continued excellent achievements in the revolution and construction.

Comrade Kim Chong-il fully personifies the thought, leadership and noble virtues of the great leader President Kim Il-song, he said.

Yalsin Buyukdagli, former general secretary of the Workers' Party of Turkey, said what impressed him, who had a poor understanding of Korea, during his visit was that the Korean people effect continued upsurge in the revolution and construction, displaying the dignity and honor of the nation while resolutely defending the banner of socialism even in acute confrontation with imperialism.

Korea led by Comrade Kim Chong-il is now a beacon of hope for mankind, he stressed.

A Peruvian academic figure, Polinio Torres, said that Korea has turned into a people's paradise in which everyone enjoys a happy life to the full with nothing more to desire, an ideal society desired by humankind.

The brilliant achievements and victory made by the Korean people in the socialist revolution and construction are unthinkable apart from the energetic guidance of his excellency the great leader Kim Chong-il, he said, and stressed:

Korea will shine more brightly with his august name.

Preserving Kim Il-song 'Unanimous Desire'

SK1506222695 Pyongyang KCNA in English 1513 GMT 15 Jun 95

["Reflection of Korean People's Unanimous Desire" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, June 15 (KCNA) — The decision on preserving the great leader President Kim Il-song in the form of eternal life has evoked ever greater repercussions on the Korean people.

An anti-Japanese revolutionary fighter Choe Song-suk said:

"To hold the great Comrade Kim Il-song in high esteem as the eternal leader and the sun of chuche and preserve him permanently is the unanimous desire of all our people including the anti-Japanese revolutionary fighters. It is our great leader Comrade Kim Chong-il who has realised this desire.

"I have keenly felt how great and valuable our glory and fortune are in having at the head of revolution Comrade Kim Chong-il, a peerless great man who fully mirrors the desire of the people, remaining faithful and devoted to the leader who started the revolutionary cause."

Col. Gen. Kim Chong-kak of the Korean People's Army said:

"The recently published decision is bringing home to our hearts because it reflects the unanimous desire of our people and Army officers and men to hold the fatherly leader Comrade Kim Il-song always in high esteem.

"The officers and men of the People's Army will remain loyal to him in any adversity and fully discharge their obligation as his soldiers and disciples."

Chang Pong-chin, vice-minister of post and telecommunications, said the great leader Comrade Kim Chong-il saw to it that Kumsusan area has turned into the supreme holy land of chuche, thus realising the ardent desire of humankind.

"I, with the faith that the great leader Comrade Kim Il-song will always be with us, will work hard to implement the calls issued by the Central Committee of the Workers' Party of Korea to greet its 50th founding anniversary under the wise leadership of respected Comrade Kim Chong-il," he added.

Prof. and Dr. Han Chong-sun, a department director of Kim Il-song University, said the adoption of the decision on preserving the great leader President Kim Il-song in state marked a significant event in the revolutionary struggle and the political life of the Korean people, who are accelerating the revolution and construction, true to his behests.

Ko Kyong-chan, head of the mining workteam of the April 5 pit of the Kumgol branch mine of the Komdok mining complex, said:

"We will hold the respected leader Comrade Kim Il-song in high esteem forever under any circumstances and make our country, our motherland more prosperous, faithful and devoted to the great leader Comrade Kim Chong-il with singleheartedness, thus demonstrating the dignity of the Kim Il-song nation to the whole world."

WPK Sends Greetings to Progressive Parties Forum

SK1606103695 Pyongyang KCNA in English 1017 GMT 16 Jun 95

[FBIS Transcribed Text] Pyongyang, June 16 (KCNA) — The Central Committee of the Workers' Party of Korea [WPK] today sent a message of greetings to the international conference of world's progressive political parties in Athens.

The message said that the WPK Central Committee firmly believes that the current conference will provide re-affirmation to the inevitability of victory of socialism, as an important occasion giving the progressive people over the world the confidence in socialism.

The message expressed the conviction that the conference will contribute to further strengthening internationalist unity and solidarity, based on socialist idea and independence, among progressive political parties, in the face of the counterrevolutionary offensives of imperialists, and hoped for success in the work of the conference.

Kim Il-song Retrospection Group Formed in Nepal

SK1606043195 Pyongyang KCNA in English 0421 GMT 16 Jun 95

[FBIS Transcribed Text] Pyongyang, June 16 (KCNA) — The Nepalese National Committee for the Retrospection of the Great Leader Comrade Kim Il-song was inaugurated.

An inaugural ceremony was held in Kathmandu on June 8.

The participants paid a silent tribute to the memory of President Kim Il-song.

The ceremony began with kindling a fire on a brass lamp stand according to the traditions of Nepal by the prime minister.

Nepalese Minister of Supply and Local Development C.P. Mainali was elected chairman and deputy director of the Nepal Institute for Chuche Studies Nil Birsingh Kansakar vice-chairman.

Addressing the ceremony, Prime Minister Man Mohan Akhikari said that the Nepalese people and the progressive people of the world are now learning much from the chuche idea founded by the great leader Comrade Kim Il-song and the achievements of socialist construction in Korea and striving to apply them to the revolution of their country. His chuche idea, socialist cause and exploits for humankind will be immortal, added the prime minister.

Chairman of the National Council Beni Bahadur Karki said that the great President Kim Il-song is a model of a world-wide leader whom they respect and follow for themselves and that the world people would remember him forever.

At the ceremony the minister of supply and local development read out an inaugural declaration of the Nepalese National Committee for the Retrospection of the great leader Comrade Kim Il-song and an appeal to the world people.

The inaugural declaration says that the committee will conduct its activity to convey and exalt the exploits performed by President Kim Il-song for humankind and his ideological, theoretical and cultural wealth.

The committee, it notes, will organize different seminars on the main anniversaries related to the august name of the respected leader Comrade Kim Il-song, continue the study of the significance and role of his great exploits and ideological and theoretical wealth in the development of human history and work to encourage the socio-political, economic and cultural progress and prosperity of Nepal and to express positive support and solidarity to the Korean people in their just struggle to add lustre to and complete Korean-style socialism centred on the popular masses.

The appeal says that the Nepalese National Committee, a permanent organisation, was formed to learn from the great exploits and noble idea of the respected leader Comrade Kim Il-song and get inspiration and courage. The appeal calls upon the progressive people of the world to carry on together the glorious work of extensively propagandizing his immortal idea and leadership exploits for the building of a friendly, peaceful, prosperous and independent world.

North Hamgyong Iron, Steel Works Report Gains

SK1606034895 Pyongyang Korean Central Broadcasting Network in Korean 1200 GMT 15 Jun 95

[FBIS Translated Text] A vigorous struggle to increase the production of iron and steel products is underway at the iron and steel works in North Hamgyong Province.

The working class of the iron and steel works there, who have risen as one to accomplish the party Central Committee's slogans issued on the occasion of the 50th anniversary of the founding of the Workers Party of Korea while having received the slogans with burning heart, is continuing to vigorously march forward by increasing the production of pig iron and steel by 1.2 times respectively and the rolled steel by 1.4 times during the recent one month, compared with the previous corresponding period, with the revolutionary enthusiasm and fighting spirit displayed at the period of the great upsurges of Chollima.

Filled with the conviction in victory and with the revolutionary enthusiasm, the workers and technicians at the Kim Chaek Iron Works have increased the production of sinter and pig iron by 1.2 times during the recent one month, compared with the previous corresponding period, while introducing advanced work methods into the sintering furnaces and blast furnaces; and they are increasing the production of steel and rolled steel by taking meticulous care of the facilities and equipment.

The workers and technicians at the Songjin Steel Works have produced about 1,000 tonnes of rolled steel more during the recent 15-odd days, compared with the previous corresponding period, while taking scientific and technical care of the metallurgical facilities, including rolling mills, and while strengthening the links between the processes of heating, rolling, and cutting.

The Musan Mining Complex and the Pyryong Ferro-Alloy Complex, too, are endlessly increasing the production of concentrated iron ore and ferro-alloy, while increasing the rate of operation at the facilities and mixing the raw materials in a scientific and technical way.

Sinsongchon Transport Workers Move More Cargo

SK1606040995 Pyongyang Korean Central Broadcasting Network in Korean 1200 GMT 15 Jun 95

[FBIS Translated Text] The transport workers at the Sinsongchon Service Engine Brigade are achieving great success in transporting more cargo.

The transport workers, who are waging a vigorous struggle to transport more cargo for the prosperity and well-being of our country, our fatherland, are transporting five carloads of goods more with each train.

In particular, the crews of the Nos. 5340, 5230, 5222, and 4608 locomotive engines—the red-flag engines—are achieving success in transporting 400 to 500 tonnes more cargo than draft, while vigorously carrying out the 5.18 no-accident, on-time, traction-standard-surpassing movement based on the resolution of the Fifth Workers Party of Korea Central Committee, the 18th Plenum.

In conformity with such an increased enthusiasm by the transport workers, functionaries at the service brigade are helping achieve greater success in transporting more cargo by setting examples and showing by practice rather than by precept, while giving priority to the political work among the masses.

Hydroelectric Plant Overfulfills Daily Plans

SK1606025195 Pyongyang Korean Central Broadcasting Network in Korean 1200 GMT 14 Jun 95

[FBIS Translated Text] The electricity generating workers of the 17 March Hydroelectric Power Complex, who have received with deep emotion the decision on preserving the great leader Comrade Kim Il-song in eternal state, are achieving upsurges in production.

The electricity generating workers there are operating each equipment at full capacity, while upholding with their heart the party Central Committee's slogan calling for increasing electricity generation to the maximum extent by operating all power plants at full throttle. These days, they are overfulfilling the highly-set daily plans by 103 to 105 percent.

In particular, the electricity generating workers at the No. 3 power generating workshop and at the (Puryong) Power Plant are overfulfilling daily plans by more than 105 percent, while taking meticulous care of the facilities and water and while operating the generators in a highly efficient way by maintaining the water at a high level.

The combatants at Nos. 1 and 2 power generating workshops, too, are generating much electricity every day, while actively introducing a rational work method and operating the facilities at full capacity.

Changjingang Power Plant Boosts Power Output

SK1606052795 Pyongyang Korean Central Broadcasting Network in Korean 2100 GMT 14 Jun 95

[FBIS Translated Text] The electricity generating workers at the Changjingang Power Plant, who have risen to accomplish the party Central Committee's slogans with the spirit and vigor with which they created a new Chollima speed and a 70-day battle speed while upholding the leadership of the great general [changgunnim], are overfulfilling daily electricity generation plans.

In an interview with station reporter Ho Am, Comrades Choe Ton-hwa, a workshop leader, and Kim Chang-yong, a generator operator at the Changjingang Power Plant, said:

[Begin Choe Ton-hwa recording] At present, our working class at the Changjingang Power Plant are operating all generators at full throttle in the same way they created a new Chollima speed and a 70- day battle speed while loyally upholding the great general's leadership 20 years ago. Therefore, they are now overfulfilling daily electricity generation plans by more than 102.7 percent.

Comrade Kang Myong-chol, a technician who guarded the Pibada [sea of blood] at the time of the 70-day battle, created many reserves with which to increase the 30,000 kwh [kilowatt hours] of electricity even more by shortening the repair time by as much as (?four hours), taking meticulous care to repair the generators in early June with the spirit and vigor he displayed during the 70-day battle. At the same time, we have also helped to greatly contribute to normalizing the operation of facilities by helping technicians and workers carry out the work of further modernization in a concerted and striking manner, and by introducing science into all electricity generating facilities. As a result, we are overfulfilling daily electricity generation plans during the month of June. [end Choe recording]

[Begin Kim Chang-yong recording] I will further glorify the leadership achievements of the great leader and send more electricity to various sectors of the people's economy, including the Hungnam Fertilizer Complex, by achieving new upsurges in the electricity generation as in the 70-day battle of 20 years ago, while more vigorously instigating party members and workers to accomplish the party Central Committee's slogans with firm conviction and will that only if we have the great general will we always win. By so doing, I will always give only pleasure and satisfaction to the great leader. [end Kim recording]

South Korea

Reportage on U.S.-DPRK LWR Pact, Reaction

Kim Yong-sam: 'Mountains' To Surmount

SK1606021295 Seoul THE KOREA HERALD in English 16 Jun 95 p 2

[FBIS Transcribed Text] President Kim Yong-sam said yesterday that a number of obstacles will lurk in the provision of light-water nuclear reactors to North Korea.

"There still are a number of mountains we have to surmount although South Korea has been awarded the central role in the (light-water reactor) project," Kim said during an inspection tour of military bases.

It is the first time that President Kim has made public comments on the North Korean nuclear issue since the United States and North Korea struck a deal on the provision of light-water reactors in Kuala Lumpur Tuesday.

The U.S.-North Korea agreement, in indirect terms, calls for South Korea to take a central role in providing the North with two light-water nuclear plants.

The U.S.-North talks aimed at reshaping Pyongyang's nuclear program had been deadlocked over the North Korean refusal to receive reactors from South Korea.

The Seoul government had pushed the United States to clarify the type of reactors and the role of South Korea in the Kuala Lumpur accord.

In the face of North Korea's defiance, U.S. negotiators managed to make indirect references to the key elements of the agreement, which earned the endorsement from both South and North Korea.

President Kim, who often mentioned about the unpredictability of North Korea, said that the conclusion of the Kuala Lumpur will not solve every problem in the reactor provision project and inter-Korean relations.

"Relations between South and North Korea have arrived at a difficult and important moment," Kim said.

South Korean Armed Forces should maintain due defense capabilities, he said, noting that North Korea, despite its economic difficulties, continues to hold military exercises.

"We don't know how the North will change," Kim said.

The President's successive visits to an Army unit, an Air Force base and the Marine Corps Headquarters were arranged ahead of the 45th anniversary of the outbreak of the Korean War June 25.

Kim began his tour by jogging with the soldiers in the Army unit. While having breakfast with servicemen, he said that South Korea owes its freedom and prosperity to the sacrifices of those who fell in the war and other veterans.

Gallucci on Talks, Liaison Office

SK1606020395 Seoul YONHAP in English 0139 GMT 16 Jun 95

[FBIS Transcribed Text] Washington, June 15 (YONHAP) — A team of U.S. delegates left for Pyongyang Thursday morning to negotiate the verification and monitoring procedures that will be used to prevent further diversions of heavy oil shipments the United States is supplying to North Korea, U.S. nuclear ambassador Robert Gallucci said.

Speaking about "The U.S.-North Korea Nuclear Agreement: Current Status and Prospects for the Future" at the Heritage Foundation, Gallucci said, "we will recall that the last delivery of heavy fuel oil was not an auspicious start in that the North Koreans, we believe, diverted perhaps as much as 20 percent of it for non-permitted uses."

"And we simply said," he added, "no more heavy fuel oil until there is a resolution to the question of the disposition of the fuel oil."

He also expects another team of experts will be leaving to stabilize the fuel in the pond (located at the North's 5 megawatt reactor plant) within a matter of days, so both of those issues are being addressed.

"As soon as the issues — technical consular issues — are resolved we'll be opening liaison offices in the coming months. So the other elements of the framework are in place," he said.

He explained that if the negotiations regarding the equipment that will monitor the disposition of the fuel oil are successful, and if a way to raise funds for the supply [of] additional oil is established, the United States will provide an additional 100,000 tons of heavy fuel oil to the North by Oct. 21 this year.

Meanwhile, Gallucci emphasized that one of the objectives the United States wants to negotiate is North Korea's involvement in the production and export of ballistic missiles.

"The longest range missiles under development now are in the 4,000 to 5,000 kilometer range. These missiles are not only for force projection in Northeast Asia, we believe, but also for export," he said.

Trilateral Team To Seek LWR Site

SK1606034295 Seoul KBS-1 Radio Network in Korean 0300 GMT 16 Jun 95

[FBIS Translated Text] It was revealed that a joint investigation team of the ROK, the United States, and Japan will visit North Korea in three to four weeks to select a site for the light-water reactor [LWR] project.

Yim Song-chun, director general of the American Affairs Bureau of the Foreign Ministry, said the joint investigation team will consist of 10 experts from the three countries. After a preparation period of three to four weeks, they will visit North Korea and inspect various places including Sinpo, a proposed site for the LWR project.

Director General Yim also said the joint investigation team's first visit to North Korea will only last about one week. However, since eight months to one year is necessary in selecting a site for the LWR project, a full-scale investigation will progress after two further visits to North Korea.

KEPCO Head on Setting Up LWR

SK1606021495 Seoul SEOUL SINMUN in Korean 15 Jun 95 p 5

[Interview on the North-South light-water reactor project with Yi Chong-hun, president of the Korea Electric Power Corporation, by reporters in Seoul on 14 June; reported by Kwon Hyok-chan]

[FBIS Translated Text] [Unidentified reporter] When will a feasibility study team visit North Korea?

[Yi Chong-hun] This is already overdue. A nuclear power plant usually takes 10 years to build. We should have set out on this project in 1993 in order to complete the light-water reactor construction by 2003. The later the project is begun, the more burden the Korea Electric Power Corporation [KEPCO] shoulders. KEPCO has not yet received any official document on the project. We were just informed that, in its Executive Council meeting held yesterday, the Korean Peninsular Energy Development Organization [KEDO] named KEPCO to take charge of the project. Because it is a state-level project, we must start preparing for it even though we have not received any written orders.

[Unidentified reporter] What kind of preparations do you mean?

[Yi] We should go through the same procedures as we did to build Uljin Nuclear Power Station Unit Nos. 3 and 4 and Yonggwang nuclear power station Unit Nos. 3 and 4. At present, we have no information about

North Korea's technological level and its social state. KEPCO will provide KEDO with technological support to prevent the reactor supply agreement — which will be signed between KEDO and North Korea — from heading in the wrong direction.

[Unidentified reporter] Some reports said that KEPCO would be a source of financing for the light-water reactor construction.

[Yi] The financial problems must be solved by KEDO not KEPCO. KEPCO will construct nuclear power plants on commission. It is unusual for a supplier to provide a donation, is it not?

[Unidentified reporter] You have insisted on Nampo as an appropriate site for the construction of nuclear power plants. It seems, however, that North Korea wants to construct the power plants in Sinpo.

[Yi] KEPCO is not in a position to argue about the reactor construction site. KEPCO's position is that it will construct the nuclear power plants on any site devoid of technological problems. There will be no problem unless a selected site has an activated dislocation with stratigraphic faults. If North Korea selects Sinpo as the construction site, we will construct the nuclear power plants there.

[Unidentified reporter] Do you have any information on Sinpo?

[Yi] None at all.

[Unidentified reporter] Will KEDO take the lead in the feasibility survey?

[Yi] KEDO has no fixed administrative system. Although KEDO leads the whole project, KEPCO is likely to head the ROK experts team.

[Unidentified reporter] When will the experts team enter North Korea?

[Yi] It is difficult to give a definite answer to that question now.

[Unidentified reporter] How much will the construction cost?

[Yi] It will cost more than the expenses for the construction of Uljin Nuclear Power Station Unit Nos. 3 and 4. Since North Korean workers are not accustomed to certain jobs, such as welding, we must teach them as we work. Accordingly, I think construction will require much money.

[Unidentified reporter] The price of land is low in North Korea, is it not?

[Yi] Uljin Nuclear Power Station Unit Nos. 3 and 4 were constructed on land which had already been secured.

[Unidentified reporter] I heard that you came up with the term "reference power plant"....

[Yi] The reference power plant is a prerequisite to signing a contract on a nuclear power plant. It is just like looking at a model house to see what the interior will actually look like when construction is completed. Accepting Uljin Unit Nos. 3 and 4 as reference power plants implies that the ROK model was chosen, and KEPCO's role of main contractor reflects the ROK's central role in the project.

[Unidentified reporter] What advantages can North Korea get from the construction of ROK-type light water reactors?

[Yi] Most of all, it will be a great help for North Korea to eradicate technical difficulties that can take place during the operation. Because the reactors will be based on the existing design, North Korea will be able to cut down on costs. In addition, all existing equipment, including special construction equipment necessary for the construction, operation procedure information, spare parts for repair jobs, and special tools for the replacement of fuels would be utilized as they are, further promoting efficiency. However, what is more important than such economic efficiency is the safety of the nuclear power plant. As reflected in the reference to a nuclear power plant as "a contract with the devil," a nuclear power plant that is unsafe is truly a calamity for mankind. Accordingly, the top priority should be given to selecting a reactor with a proven safety record.

[Unidentified reporter] How high is the nuclear power plant's degree of technological self-reliance?

[Yi] We are self-reliant in the design, construction, operation, and repair technology of nuclear power plants. Our neighboring countries, such as the Philippines and China, have even requested technical cooperation regarding nuclear power plants. No country in the world is 100 percent self-reliant. Moreover, there is no need to be 100 percent self-reliant on every single thing.

[Unidentified reporter] Is it true that auxiliary facilities demanded by North Korea include power transmission lines, transformer substations, and roads connecting construction sites with ports to handle bringing in construction materials from abroad?

[Yi] Auxiliary facilities include transformers that can boost up to 138,000 volts and two-way switches. Everything from steel tower No. 1 onwards cannot be included among additional facilities. I expect that the article on auxiliary facilities will be included in the supply contract between KEDO and North Korea.

[Unidentified reporter] How many ROK expert personnel do you think will be admitted to North Korea?

[Yi] It totally depends on the North side's situation. For instance, if North Korea has a high level of welding expertise, we will not have to send many welders to North Korea. If this were a Southeast Asian country, we could come up with some estimates. However, we have no information on North Korea at all. North Korea will probably attempt to limit the inflow of ROK workers.

N-S Nuclear Pact Sought

SK1606025795 Seoul THE KOREA HERALD in English 16 Jun 95 pp 2, 3

[FBIS Transcribed Text] South Korea plans to conclude a nuclear cooperation agreement with North Korea to ensure the North will not divert nuclear technology and material, to be provided under a light-water reactor project, for military and other unauthorized uses.

"The government has yet to formalize its position but judges such an agreement will be necessary," said a Foreign Ministry official, who asked not to be named.

He said the government will decide when to propose the agreement after watching the process of follow-up measures to the U.S.-North Korean deal reached in Kuala Lumpur earlier this week.

Under the deal, North Korea and the Korean Peninsula Energy Development Organization (KEDO), a multinational consortium led by the United States, South Korea and Japan, will conclude an agreement on the provision of two new light-water reactors.

The ministry official said the supply agreement is expected to have provisions prohibiting the diversion of new nuclear technology and material by the North.

In addition to the agreement between KEDO and North Korea, there will have to be an inter-Korean nuclear cooperation pact in principle, he said.

It will be the first nuclear cooperation agreement in which South Korea urges the other party concerned to guarantee that nuclear technology and material will not be diverted.

In the nuclear agreements it signed with the United States, Canada and other advanced countries, South Korea pledged not to divert its technology and material imports.

Observers see that South Korea will propose to sign a nuclear cooperation agreement with the North when the reactor project is in full swing.

They indicate North Korea is certain to react sensitively to such a proposal for the time being.

A local report said the timing of the proposal will be around 1999 when key components of the reactor are expected to be delivered to the North.

Nuclear officials and experts here say if the supply agreement is concluded in the latter half of this year and other preparatory work goes as scheduled, the reactor project will start in 1997.

They see that the first of the twin reactors will be completed in 2002 and the second one the following year.

'Weak' Diplomacy of South Decried

SK1606060995 Seoul CHOSON ILBO in Korean 16 Jun 95 p 2

[Article by correspondent Kim Chang-kyun based in Washington; from the "Reporter's Memo" column: "Regrettable Nature of the 'Diplomacy Over Light-Water Reactors'"]

[FBIS Translated Text] On 8 June, this reporter received a phone call from a Korea desk officer of the U.S. Congressional Research Service when Robert Gallucci, U.S. ambassador in charge of North Korean's nuclear issue, and Winston Lord, U.S. assistant secretary of state for the East Asian and Pacific affairs, embarked on a flight bound for the ROK. The Korea desk officer intended to know the ROK Government's position toward the agreement temporarily reached between the United States and North Korea in Kuala Lumpur. With a relatively confident voice, this reporter answered: "The ROK Government would not accept such an agreement." I added: "The ROK Government can accept only an agreement that leaves no room for any controversy with regards to the light-water reactor model. Such a position has been made public by high-ranking ROK Government officials on several occasions. Therefore, ROK Government officials will be unable to make relevant concessions, even if they wish to make such concessions."

This notwithstanding, this reporter's assertion turned out to be false only five days later.

In April, when the U.S.-North Korea negotiations on light-water reactors were about to resume, and as regards the prospects for the upcoming negotiations, one official concerned at the ROK Embassy in the United States confided: "It is unavoidable for us to take some risk in order to correctly read the ulterior motives of North Korea, and at the same time in order not to dance to their tune. We already lost a good opportunity for the ROK and the United States at last year's Geneva talks. Perhaps the upcoming talks on light-water reactors will be the last good chance for the ROK and the United States."

As had been worried, the governments of the ROK and the United States once again took a step backward.

Last year, when the U.S.-North Korea talks in Geneva ended up in North Korea's achieving a unilateral diplomatic victory, the only thing the ROK diplomatic team could boast was: "North Korea has accepted ROK-style light-water reactors." The ROK's assertion at that time was: North Korea has clearly expressed its view to make concessions, and "a guarantee" has been secured because the term "two 1,000-megawatt light-water reactors" is specified in a secret memorandum.

This notwithstanding, as soon as the U.S.-North Korea negotiations on light-water reactors resumed in Kuala Lumpur, North Korea pretended to be ignorant of the existence of such a memorandum, saying: "When did we say we would accept ROK-style light-water reactors?" The secret memorandum, which was said to have tied up North Korea, turned out to be nothing but a scrap of paper.

These days, after the Kuala Lumpur talks were settled, the ROK Government has been once again boastful of a war trophy. The government's assertion is it is clear North Korea accepted ROK-style light-water reactors because the agreement specifies "two pressurized 1,000-megawatt light-water reactors with two coolant loops" and "the light-water reactors now under construction."

The government is making exactly the same assertion as last year, noting: "We did not stick to the designation ROK-style reactors in consideration of saving North Korea's face."

Nonetheless, there is no government official concerned at the moment who assures North Korea will never show a different attitude in the process of concluding an agreement on the supply of light-water reactors between North Korea and the Korean Peninsula Energy Development Organization (KEDO).

From October 1994 in Geneva to June 1995 in Kuala Lumpur, the ROK has failed to show it has any principled stance, strategy, or mettle in terms of implementing diplomacy. This reporter felt bitter when I once again confirmed the present status of the ROK's diplomacy which has no choice but to be weak in the face of the U.S.'s "arm-twisting" diplomacy.

N-S Meeting on Rice Aid Said Held in Beijing

Reports on Talks Termed 'Conjecture'

SK1606035495 Seoul TONG-A ILBO in Korean 16 Jun 95 p 1

[FBIS Translated Text] On 15 June, Song Yong-tae, vice minister of the National Unification Board [NUB], said: "Reports on secret Beijing contacts between the North and South to discuss rice aid and the government's decision to supply rice to North Korea at a civilian-level, are totally groundless."

Vice Minister Song said "Reports by the Japanese media on secret North-South contacts are largely unsubstantiated conjecture."

Official: Contact To Discern Intent

SK1606050895 Seoul SEOUL SINMUN in Korean 16 Jun 95 p 3

[FBIS Translated Text] On 15 June, a high-ranking government official revealed: "It is true the Trade Promotion Corporation [KOTRA] contacted the Samcholli Corporation of North Korea in Beijing. However, the contact took place merely to tap each other's intentions. Moreover, there is no change in our policy that the issue concerning rice supplies to North Korea must be discussed as official dialogue between government authorities, not at a civilian level."

The official concerned stated: "The Japanese Government clearly recognizes that the ROK should be the first to supply rice to North Korea." He added: "Therefore, North Korea has no choice but to engage in dialogue with our government in order to defuse its food crisis"

NUB Official Denies Ongoing Contact

SK1606050295 Seoul KBS-1 Radio Network in Korean 0428 GMT 16 Jun 95

[FBIS Translated Text] Song Yong-tae, vice minister of the National Unification Board [NUB], described as untrue reports that South-North contact is underway in Beijing, the PRC, to discuss the issue of rice aid to North Korea.

On 16 June, Vice Minister Song revealed that since the ROK Government proposed it would unconditionally provide North Korea with rice, no official response has been made by the North up until now. He added it is true that an official of the Korea Trade Promotion Corporation went to Beijing, not to discuss the rice issue with North Korea but to open an office in Beijing.

'Beijing Sources' Report Talks

SK1606050395 Seoul CHOSON ILBO in Korean 16 Jun 95 p 1

[By reporter Pak Sung-chun from Beijing]

[FBIS Translated Text] It was learned on 15 June that last-minute compromises are being made between the South-North authorities who are holding contacts in Beijing regarding the issue of rice aid to North Korea, on whether it will be carried out at a government or civilian level.

According to Beijing sources, the rice aid issue is being discussed by a six-man team including Chon Kum-chol, vice chairman of the Asia-Pacific Committee, from the North Korean side, and a six-man team including Kim Hong-chi, section chief of the Korea Trade Promotion Corporation's [KOTRA] Beijing office, and employees dispatched from Seoul from the ROK side. They plan to conclude this issue by 17 June. They have held two contacts thus far, but the North Korean side aspires to resolve this issue at the civilian, not governmental, level, and our side wishes to resolve the issue at the governmental level.

Sources say that the Beijing contact was achieved through arrangements by fellow countrymen residing in the United States, and that North Korean delegates, such as Chon Kum-chol who came to Beijing for the contact, also asked ROK firms in Beijing about rice aid and free loans.

North Urges Raising Level of Talks

SK1606023895 Seoul CHOSON ILBO in Korean 16 Jun 95 p 1

[By reporters Pu Chi-yong and Yi Hyok-chae from Tokyo]

[FBIS Translated Text] A Japanese Government source revealed on 15 June that North Korea notified the ROK side of its intention to raise the level of the North side's channel for the South-North rice aid contacts currently being held in Beijing from the authorities of the "Korea Samcholli General Company" to Chon Kum-chol, vice chairman of the Asia-Pacific Peace Committee.

This source conveyed that on the morning of 15 June North Korea announced in the Beijing contact that: "Chon Kum-chol will attend the afternoon contact and we hope that the ROK side will send a figure corresponding to this."

Official Denies Negotiation of Deal

SK1606091595 Seoul YONHAP in English 0909 GMT 16 Jun 95

[FBIS Transcribed Text] Seoul, June 16 (YONHAP) — National Unification Board [NUB] Vice Minister Song Yong-tae denied reports that South Korea is negotiating a deal for rice aid with North Korea in Beijing, saying, "There has been no official reply from the North to our unconditional proposal to provide them with rice. At present, we are awaiting their reply."

He told reporters Friday, "The Korea Trade Promotion Corp. has contacted the North Korean authorities requesting they be allowed to open a liaison office in Pyongyang, and a ranking official went to Beijing to sound out that possibility again, after the death of Kim Il-song."

In particular, the NUB vice minister stressed that there is no change at all in the government's position that contacts between the two authorities be made first, before rice assistance from other countries is provided.

He further added that Japan understands the South Korean government's stance, and that it is desirable that aid by religious organizations, such as aid from World Vision, also be made after the South provides assistance.

In connection with methods of delivering rice to the North, Song said, "After tapping the North's thoughts, the government will decide the detailed method to deliver rice, expecting that governmental contacts will be realized."

Vice Minister To Attend 17 Jun Talks

SK1606095195 Seoul YONHAP in English 0944 GMT 16 Jun 95

[FBIS Transcribed Text] Seoul, June 16 (YONHAP) — The South Korean Government has decided to dispatch a vice minister-level official to Beijing Saturday to discuss with North Korean officials South Korea's supply of rice to the North, a reliable diplomatic source here said Friday.

He said the government will send to the Chinese capital either Yi Sok-chae, vice minister of Finance and Economy Ministry, or Pak Sang-u, vice minister of Agriculture, Forestry and Fisheries.

The decision was prompted by the judgement that North Korea has accepted a government-level dialogue with South Korea in a series of unofficial contacts in Beijing, the source said.

The unofficial contacts have been made between officials of the Korea Trade Promotion Corp. (KOTRA) and related North Korean officials, the source said.

If the government-level talks are realized, the source said, both sides will discuss details of the rice aid.

The government, however, plans to carefully watch the posture of North Korea over the rice issue.

"We in a sense suspect if the North's overnight positivity isn't part of their scheme to remove an obstacle to getting rice from Japan," a government source said.

He was referring to the fact that Japan has been delaying rice shipment to North Korea on the ground that North Korea should have government-level rice talks first with South Korea.

The source said that on the other hand it cannot be denied altogether that the flexibility they show over the rice issue as well as over the recent reactor talks, may indicate that the North Korea has chosen pragmatism in their relations with the South.

"If government-level negotiations actually take place successfully, we will use the occasion to explore multipronged means of improving inter-Korean relations," the source added.

'Considerable Progress' Seen

SK1606062895 Seoul MUNHWA ILBO in Korean 16 Jun 95 p 1

[By reporter Yi Pyong-son]

[FBIS Translated Text] It was confirmed on 16 June that considerable progress was achieved in rice aid negotiations between the South-North authorities. In connection with the issue of providing North Korea with rice, the government decided to accept the North's request to send it via a "civilian level." It was also learned that on 15 June, secret contacts were held between the South-North authorities in Beijing to discuss in detail the provision, quantity, and method of the rice aid.

A well-versed diplomatic source revealed that during the contact, issues other than rice were discussed, such as the reunion of separated families aimed toward 15 August.

It was also learned the North's delegate participating in the Beijing secret contacts is Chon Kum-chol, vice chairman of the Asia-Pacific Peace Committee. The South's delegate has not been accurately confirmed, though there is a high possibility he might be Choe Sung, ROK's diplomatic minister to the PRC.

The secret contact between the South and North was achieved when both sides reported to each other's governments on the necessity of holding the contact, which was agreed upon at the working-level contact held last weekend between the Korea Trade Promotion Corporation and North Korea's Samcholli Corporation.

DPRK Sends World Vision Rice Aid to Chongjin

SK1606035395 Seoul YONHAP in English 0237 GMT 16 Jun 95

[FBIS Transcribed Text] Seoul, June 16 (YONHAP) — North Korea has distributed the 500 tons of millet World Vision International (WVI), a U.S.-based Christian organization, shipped to the North earlier in the year to Chongjin city in North Hamgyong Province, according to the National Unification Board [NUB].

As required by the agreement signed with the Christian organization on March 4, North Korea forwarded a distribution report of the foodgrains, dated June 4, to World Vision Korea, and World Vision Korea advised the board of the North Korean report Thursday, a board official said Friday.

All 500 tons of the shipment were supplied to Chongjin City — 300 tons to the Kimchaek Ironworks, 100 tons to the Nanam District and the remaining 100 tons to the Songpyong District, the report was quoted as saying. This was different from the distribution plan the North Koreans gave to WVI, which said the foodgrains would be supplied to Onsong County, North Hamgyong Province, the official said.

Yi Yun-ku, head of World Vision Korea, participated in a leadership meeting of World Vision International held in Hong Kong last Sunday.

"I understand WVI discussed its food aid program for North Korea in the Hong Kong meeting," the board official said.

DPRK Wants Foreign Investment in Electronics

SK1606033695 Seoul YONHAP in English 0146 GMT 16 Jun 95

[FBIS Transcribed Text] Seoul, June 16 (YONHAP) — North Korea has said it is attempting to attract foreign investment in its electronics industry, as the development of its economy now hinges on high-tech industries, such as electronics.

To this end, the (North) Korean Committee for the Promotion of External Economic Cooperation recently announced plans to introduce legislation encouraging foreign businesses to invest in North Korea, according to the International Trade and Industry Ministry [MITI] Friday.

In the announcement, the committee called on Western multinational electronics conglomerates to invest in North Korea, saying their technology and knowhow can combine with its labor and facilities to form a lucrative partnership, a ministry official said.

The North Koreans are meeting officials from such multinational electronics conglomerates as Motorola and Philips to examine the possibility of their building an electronics production base in North Korea that will supply all of Southeast Asia's market.

The electronics industry will become a major area of inter-Korean economic cooperation when the inter-Korean relationship improves as a result of the progress in the North's light-water reactor construction project in which South Korea is playing a central role, the official said.

North Korea has begun introducing capital and technology from Western countries, discarding its dependence on Russia, with a view to narrow the technical gaps it currently has with other Asian countries.

If Pyongyang assures foreign investors of its willingness to meet their demands, including the safe remittance of profits, foreign companies will invest in the North as their production base of goods would sell in the Chinese and Russian markets, as well as in all of Southeast Asia, the official observed.

North Korea's electronics industry is still in its infancy, producing only 24-inch color television sets and 486-class personal computers in a joint venture with a foreign firm.

Daewoo To Open First N-S Venture in Nampo

SK1606081595 Seoul HANGUK ILBO in Korean 16 Jun 95 p 13

[Report by Yi Chae-yol]

[FBIS Translated Text] Following the conclusion of the light-water reactor negotiations, South-North economic cooperation is now coming to light with the establishment of ROK enterprises' offices and plants in North Korea.

It was revealed on 15 June that, after receiving the necessary permission from the government, the Daewoo Group held working-level discussions with North Korea in Beijing on its model project in the Nampo industrial complex. The group agreed in principle with North Korea to begin operating its plant in Nampo beginning in September, as well as to establish an office and residence for employees stationed in North Korea. Accordingly, the first South-North joint venture is expected to start in September.

Employees at Daewoo Company's Beijing branch began discussions with Samcholli Corporation, Daewoo's North Korean partner for joint ventures in the Nampo industrial complex, right after Daewoo received government permission for joint ventures with North Korea. The Daewoo Group sent employees from the head office to Beijing on 13 June to discuss the details of dispatching technicians and necessary facilities.

Daewoo and North Korea narrowed their differences over establishing a Daewoo office in North Korea and are now discussing the transfer of fixtures and communication equipment needed by the office. The sides, however, have reportedly yet to reach an agreement on selecting an office building site. Regarding this, a person concerned predicted: "It is likely that the office will be built inside the Nampo industrial complex because of political reasons, such as the possibility of Daewoo employees' contacts with ordinary people of North Korea."

Accordingly, Daewoo will send 13 technicians to install the manufacturing facilities and instruct North Korean workers on how to operate textile facilities, once it receives authorities' permission to visit North Korea to start preparing for the operation of the plant in Nampo. The North Korean side has already prepared basic facilities for the plant, such as a building, electric power, and a water canal, while Daewoo has completed the training of North Korean technical personnel in Tianjin, China. Thus, the person concerned said there will be no problem in operating the plant.

The Kohap Group, a company designated for participation in South- North economic cooperation, which is a step prior to obtaining permission to participate in joint projects with North Korea, has recently dispatched a senior employee to Beijing to hold working- level discussions with North Korea for applying for a permit to participate in joint projects with North Korea. A Kohap Group official said: "The group is planning to dispatch a working-level survey team to North Korea to choose a site for the construction of a plant." The official then said: "Kohap will push ahead with the business in the four fields of clothes, textile, quilt, and plastic bottle at the same time as soon as it receives a permit from the authorities."

Meanwhile, the project of building light-water reactors in North Korea is also expected to exert direct influence upon South-North economic cooperation. In particular, enterprises are keenly interested in the selection of companies to participate in the reactor building, believing the participation in the reactor building project will enable them to expand joint ventures with North Korea.

'Gradual' Approach to N-S Economic Ties Urged

SK1606110395 Seoul CHUNGANG ILBO in Korean 16 Jun 95 p 5

[Editorial: "South-North Economic Cooperation Should be Conducted In a Prudent Way"]

[FBIS Translated Text] It would be a hasty judgment that an appropriate environment has been created for conducting earnest South-North economic cooperation as a result of the settlement of the North-U.S. negotiations on the light-water reactors. We would like to interpret the signs that the ROK economic sector appears to have begun making relevant preparations for such economic cooperation as meaning that the economic sector is preparing for such economic cooperation, not that the economic sector has already begun relevant activities in earnest. It would not be desirable for an environment to be created that would lead to concern about heated or excessive competition between business enterprises concerning economic cooperation.

So far, we have learned two lessons in the process of pushing for economic cooperation with the North — which has undergone twists and turns on several occasions. The first lesson is that we should never have excessive expectations for economic cooperation with the North. The second lesson is that there can be no shortcuts to successful economic cooperation, only a gradual and consistent approach to the matter. Confusion arose in the past in the process of pushing for economic cooperation with the North because even the government, as well as the economic sector, forgot these two lessons. At this present moment, too, the civilian sector and the government are failing to fine-tune their respective positions in a clear-cut way concerning their participation in the construction of light-water reactors and in supplying rice to North Korea. Our heads are becoming muddled due to our illusion about the ROK's economic cooperation with the North and our disposition to push anything in a grandiose fashion.

Our economic cooperation with the North should be based on a businesslike approach to such cooperation and based on the great cause for the promotion of dialogue between the South and the North. Otherwise, nothing will be gained. Such an approach is an attitude that will really help North Korea by showing it the reality of global economic warfare and by helping it adapt to this reality. In other words, we mean that it is good to give someone fish; but it will be better to teach him how to fish. There is a good possibility that North Korea will treat the United States and Japan as its economic cooperation partners, while leaving out the ROK. Even if North Korea has such an attitude, however, there is no need for us to be impatient. The United States and Japan are the original advocates of capitalism and the free market economy.

It will be difficult to push for large projects unless the North Korean system becomes far more open. Therefore, it will be appropriate for the ROK to pursue our basic policy of expanding our economic cooperation with and investment in North Korea gradually, implementing small projects. North Korea is presently putting forth various kinds of enticing offers to our civilian enterprises. Our enterprises should not hesitate to accept such offers and the government, too, should not discourage them. This notwithstanding, no one should forget the principle of pushing for relevant projects on a gradual basis without harboring any illusions when relevant schedules are worked out in detail.

KECO: DPRK Electric Power Supply 'Unstable'

SK1606062195 Seoul HANGUK ILBO in Korean 16 Jun 95 p 13

[FBIS Translated Text] It was learned on 15 June that North Korea's power generation capacity has not increased in actuality since 1988.

According to the Korea Electric Company [KECO], North Korea's power generation capacity was recorded at 6.902 million kw [kilowatts] in 1988. The increase in power generation for the five years since then totals only 190,800 kw. Thus, the power generation capacity in 1993 remained merely 7.1 million kw. In particular, facilities for thermal power generation, which stood at 2.85 million kw in 1988, remained unexpanded up until 1993.

It is observed that with the enormous amount of initial investment in building power stations, North Korea, which is increasingly suffering shortages of funds, cannot even conceive of the idea of building power stations. During the period 1984 to 1988, North Korea's overall power generation volume increased by 992,000 kw. A relevant KECO official noted that North Korea receives 54 percent of its power generation from hydraulic power and the remaining from thermal power. He explained this means North Korea's electric power supply is unstable.

KAL To Buy Boeing B-777 Stretch Planes

SK1606004995 Seoul THE KOREA TIMES in English 16 Jun 95 p 8

[FBIS Transcribed Text] Korean Air (KAL) has signed to purchase four B777-Stretches, the latest aircraft version of the B777 series, from Boeing Co. of the United States for $140 million a unit.

The twin-engine B777-Stretch is 10 meters longer than the B777 and can fly non-stop from Seoul to Hawaii with 418 passengers aboard, a KAL spokesman said, adding that the first of the four will be delivered in 1998.

KAL also contracted to import eight B777-200s worth $1.2 billion in December, 1993, first of which will be brought in February 1997, he said.

Trading Firms Employ More Locals Overseas

SK1606035095 Seoul YONHAP in English 0231 GMT 16 Jun 95

[FBIS Transcribed Text] Seoul, June 16 (YONHAP) — General trading companies are actively pushing a "localization program" under which their overseas branches employ a greater number of local residents while decreasing the number of employees they dispatch from their head offices in South Korea.

The number of overseas branches of the country's seven general trading companies stood at 397 at the end of last March, which is an increase of 13 over a year earlier, but the number of employees dispatched from their head offices in Seoul was recorded at 1,150, showing a total decrease of 85 employees compared to a year ago.

In addition, the number of local residents recruited by their overseas offices increased sharply by 405 to total 3,750 local employees, the Consultative Council of the General Trading Companies said Friday.

The seven general trading firms are Samsung Co., Hyundai Corp., Daewoo Corp., LG International Corp., Sunkyong Ltd., Ssangyong Corp. and Hyosung Corp.

Samsung employed the largest number of local employees at its branch offices abroad with 1,016, followed by Daewoo with 833, Sunkyong with 673, LG with 350, Hyosung with 339, Hyundai with 279 and Ssangyong with 260.

These trading firms recruited 601 local employees in China, an increase of 153 local residents over a year earlier, and they also employed 782 locals in North America, up 145 from a year earlier. There were 408 local employees in Japan, an increase of 56 local residents, and 941 locals in Southeast Asian countries, up a total of 54 locally hired employees.

MOTIE: Foreigners Feel 'Unfairly Treated'

SK1606030395 Seoul THE KOREA HERALD in English 16 Jun 95 p 8

[FBIS Transcribed Text] Foreigners residing in Korea in general feel that they are unfairly treated in regard to rental fees, obtaining a visa and the exploitation of mass transportation means, according to a survey conducted by the Ministry of Trade, Industry and Energy (MOTIE).

In an attempt to readdress Korea's wrong customs and practices and attract more foreign investment in the country, the MOTIE has gathered information through the survey about the problems foreigners experience in living here from three foreign economic organizations — the American Chamber of Commerce in Korea (AMCHAM), the European Community (EC) Chamber of Commerce in Korea and the Association of Japanese Joint Ventures in Korea.

AMCHAM said, on the whole, many foreigners have had problems with bureaucratic procedures in things such as: obtaining a visa, driver's licenses, housing, banking and credit, and registering a car.

"Obtaining a visa was the biggest problems for foreigners. Basically, there is a lack of information on where to go, what is needed, and who to contact," Kevin McKinney, director of research at AMCHAM said.

Noting that visas are only honored for three years and renewed a maximum of three times, he said, "After nine years the foreigner has to leave the country and apply for a new visa. And applying for a visa is rather lengthy, often taking two or three months."

At the same time, many foreigners feel that they are unfairly dealt [with] in regard to rental fees and agent commissions, he said.

For instance, there have been cases where key money is not accepted and the foreigner has to pay monthly rent. And the real estate agent fees in general are higher for foreigners than Koreans, said McKinney.

Some AMCHAM members responded to the survey that the foreign exchange regulations caused problems when foreigners traveled abroad for business trips because of restrictions on how much money can be taken out of Korea and how much can be wired out.

Many foreigners have also experienced unequal condition when trying to take out loans from Korean banks, they said.

In the meantime, some EC Chamber members complained that the procedure for foreigners to apply for a registration after their arrival in Korea is complex, takes time and requires full knowledge of the Korean language.

The same problem applies to the translation of a foreign driving license into a Korean license, they said.

Commenting that it is certainly inconvenient for expatriates that their spouses have no possibility to obtain some form of working permit, they said that some (limited) permit would certainly make their stay in Korea more attractive.

Many Japanese entrepreneurs residing in Korea said that they face many difficulties in renting or purchasing houses and using mass transportation means mainly because of drivers' unkindness.

Accord With PRC on Joint HDTV Development

SK1606084495 Seoul MAEIL KYONGJE SINMUN in Korean 16 Jun 95 p 3

[Report by Cho Kyong-hwa from Beijing]

[FBIS Translated Text] The ROK and China have each agreed to establish a separate organization in charge of ROK-Chinese joint development of high-definition television, HDTV, in the ROK's General Electronic Component Development Center and China's Feihong Electronic Corporation by late June.

In addition, in a bid to hasten the joint development of a mid-sized airplane, the two countries agreed to form three working-level teams to respectively discuss finding another partner (a third country), selecting a final assembly site for the plane, and distribution of aircraft components. They plan to conclude the working-level discussions by the end of September. Thus ROK-Chinese industrial cooperation is expected to be visualized soon.

The ROK and China agreed to the above during the second Industrial Cooperation Committee meeting held on 14 and 15 June, and a memorandum of understanding was signed on the evening of 15 June by Pak Chae-yun, ROK minister of trade and industry, and Wang Zhongyu, Chinese minister of the State Economic and Trade Commission.

In particular, the two countries each agreed to establish an organization in charge of joint development of high-definition television and push ahead in stages with size standardization, production of model products, and the development of components. The fully digital technology of HDTV to be developed by the ROK and China is expected to considerably influence the set-up of the HDTV market in regions that use Chinese characters.

More Relief Supplies Shipped to Sakhalin

SK1606040095 Seoul YONHAP in English 0106 GMT 16 Jun 95

[FBIS Transcribed Text] Seoul, June 16 (YONHAP) — South Korea shipped a second installment of relief supplies aiding victims of the devastating earthquake that struck the northeastern Russian island of Sakhalin Friday [16 June], providing 110,000 U.S. dollars in emergency supplies to the island, a Foreign Ministry spokesman said.

The relief supplies consist of 350 wheelchairs, 20,000 bottles of glucose injection, medical supplies and cooking utensils, he said.

South Korea has thus far sent a total of 610,000 U.S. dollars in relief supplies to the quake-struck region of Sakhalin.

More Joint Cooperation With Australia Planned

SK1606064295 Seoul YONHAP in English 0623 GMT 16 Jun 95

[FBIS Transcribed Text] Seoul, June 16 (YONHAP) — South Korea and Australia agreed Thursday to make efforts to expedite the signing of investment guarantees and science and technology agreements between the two countries, a Foreign Ministry spokesman said Friday.

At the second Korea-Australia Joint Economic Committee Meeting which began last Wednesday in Canberra, the two countries shared the understanding that they need to increase cooperation in their telecommunication, fishery, environment and tourism industries as well as in their assistance programs for developing countries, he said.

During the committee meeting, represented by Deputy Foreign Minister for Economic Affairs Son Chun-yong and his Australian counterpart Peter Grey, Australia promised that it will support South Korea's efforts to join the Organization for Economic Cooperation and Development (OECD), he said.

Premier Regrets Police Action at Churches

SK1606092195 Seoul YONHAP in English 0918 GMT 16 Jun 95

[FBIS Transcribed Text] Seoul, June 16 (YONHAP) — Prime Minister Yi Hong-ku on Friday expressed his regret for the police action that took place last week in Myongdong Cathedral and Chogye Temple in downtown Seoul when police rounded up trade union leaders from Korea Telecom who were staging sit-ins there.

In his statement, Yi said, "The police action was inevitable, but the government feels regret for the inconveniences and the pain suffered by the cathedral and Buddhist temple which hold special status and historic meaning in our society."

Yi said the government fully understands the deep concern and pain expressed by the religious circles over the incident, adding that in the future it will take a more prudent attitude when executing law to respect the special status religious organizations hold in our communities.

But he also asked for the cooperation of religious circles in order that they will not be misused as "areas with extraterritorial rights" or "safety zones of illegal struggles."

He explained that most of the squatters at the sit-ins in the cathedral and temple had already been issued arrest warrants and attempted to make the government's execution of law powerless.

DPRK Said Behind Unionists Hiding in Churches

SK1606004595 Seoul THE KOREA TIMES in English 16 Jun 95 p 3

[FBIS Transcribed Text] Chunghon — Catholic Father Pak Hong, president of Sogang University, claimed here Wednesday that the refuge taken by Korea Telecom union leaders at religious facilities was engineered by North Korea.

"The North Korean communists have infiltrated deep into the student, workers, dissidents and press circles of the South, controlling their activities behind the scene," Pak said.

Pak made the assertion in a speech at a Hallim University seminar. Last year the head of the Seoul University caused quite a stir by stating that pro-chuche (self reliance)-ideology student activists were under the control of North Korea.

He said he has information on the methods by which North Korea obtains various information on South Korea, and North Korea seeks to agitate a general strike in the South before the June 27 local elections and perpetrate a major sabotage on Aug. 15, the National Liberation Day, from the Japanese colonial rule.

"The number of pro-chuche students declined from last year but they have infiltrated into various circles more deeply than ever to influence various strikes," Pak said.

"North Korean elements have permeated into the South so widely in this age of information that they know which families take rice meals and which families eat barley," Pak said.

Hyundai Officially Adopts Wage Increase Plan

SK1606103495 Seoul YONHAP in English 1020 GMT 16 Jun 95

[FBIS Transcribed Text] Ulsan, June 16 (YONHAP) — The 1995 wage increase plan tentatively agreed on Thursday between the union and management of the Hyundai Heavy Industries Co. here was finalized as unionists okayed it in a vote Friday.

As of 6:10 pm when vote counting was nearly 75 percent complete, those supporting the plan numbered 10,764 or 51.8 percent of the 20,790 unionists who take part in the vote.

With the supporters exceeding the simple majority, the tentative wage increase plan has been officially adopted.

It was the first wage settlement without labor disputes at the Hyundai shipyard since a union was created there in 1987.

Hyundai Precision Trade Union Votes To Strike

SK1606084795 Seoul YONHAP in English 0825 GMT 16 Jun 95

[FBIS Transcribed Text] Ulsan, South Kyongsang Province, June 16 (YONHAP) — The trade union of Hyundai Precision and Industries Co.'s Ulsan factory decided Friday to take labor action demanding a wage increase and the reinstatement of the company's dismissed workers.

The resolution was decided in a vote of union members with 1,967 members out of the 2,941 participating voting in favor of the labor action, while 953 unionists voted against it.

Through the seven rounds of negotiations with the company's management since last month, the trade union has demanded a 13.7 percent wage increase, a 200 percent merit bonus incorporated into base salaries, reinstatement of fired workers, and social reform.

But the union first reported the presence of a labor dispute to the Labor Ministry on May 31 when management asked the union not to include the fired workers' reinstatement and social reform issues in the current round of negotiations.

Union staff members said they will determine a strike date after considering their present negotiations with management.

Kim Tae-chung Not Opposed to Cabinet System

SK1606065295 Seoul YONHAP in English 0641 GMT 16 Jun 95

[FBIS Transcribed Text] Seoul, June 16 (YONHAP) — Former opposition leader Kim Tae-chung has said that he would not be opposed to a parliamentary cabinet system if a majority of the people turn out to be supporting it after the forthcoming local elections.

In a recent interview with the monthly magazine "WIN," set to hit newsstands and bookstores Saturday [17 June], Kim said, "A constitutional amendment designed to adopt a parliamentary cabinet system will inevitably emerge as a political issue following the June 27 local elections. If a majority of the people support a cabinet system then, I won't oppose it."

Kim, chairman of the Peace Foundation for the Asia-Pacific region, added, "(If the people support) then I ought to respect the population's will. Won't that be rule by democracy?"

Many argue Kim's remarks represent a more positive step in his public position concerning a cabinet system than the utterances he made in early June in an interview with the monthly magazine "SISA JOURNAL." At that time he said, "it is necessary to examine the public's opinion of a cabinet system."

In particular, Kim asserted, "Even the Minjong faction of the ruling party is in favor of a cabinet system... Whether President Kim Yong-sam supports it or not, the matter of a constitutional amendment will emerge as a major issue in the next National Assembly. The president's thoughts are important, but the people's thoughts are even more important."

Pros and cons regarding a constitutional revision between the ruling and opposition parties are thus expected to intensify along with the ongoing controversies concerning Kim Tae-chung's speechmaking tour supporting opposition Democratic Party candidates running in the upcoming local elections.

Attention is also likely to be drawn to a possible alliance between the major opposition Democratic Party and the splinter United Liberal Democrats, with a constitutional amendment in favor of a cabinet system serving as a link for the two parties.

IFANS To Host Seminar on SOFA Revisions

SK1606061995 Seoul YONHAP in English 0617 GMT 16 Jun 95

[FBIS Transcribed Text] Seoul, June 16 (YONHAP) — The Institute of Foreign Affairs and National Security (IFANS) will hold a seminar Wednesday on "The Status of Forces Agreement (SOFA) and Desirable Korea-U.S. Relations," a Foreign Ministry spokesman said.

IFANS, a research and education arm of the Foreign Ministry, will hold the seminar in three sections including a section on SOFA and South Korea's sovereignty, the direction of SOFA revisions, and SOFA and Korea-U.S. relations, he said.

The seminar to be held at the IFANS Headquarters in southern Seoul will be attended by lawyers, scholars and officials of related government agencies.

Defense Ministry Develops New Trench Mortar

SK1606063795 Seoul SEOUL SINMUN in Korean 16 Jun 95 p 3

[FBIS Translated Text] It was learned on 15 June that the Defense Ministry developed on its own a new-style trench mortar that greatly improves the capacity of the 81mm trench mortar our Army has possesses up until now. This new mortar will be deployed for actual combat beginning in 1996.

The maximum range of the out-dated model is 4,100 meters, while the maximum range of the new-style 81mm trench mortar is 6,300 meters. A shooting data computer has been attached, thus the degree of its accuracy has improved considerably. Since it was purely developed by the ROK, it is understood there is a possibility for its export overseas. Currently, the maximum shooting range of the 82mm trench mortar possessed by North Korea is 5,400 meters.

Suspect Arrested in Banknote Diversion at Mint

SK1606101995 Seoul YONHAP in English 0920 GMT 16 Jun 95

[FBIS Transcribed Text] Yongdong, June 16 (YONHAP) — The person who stole 1,000 1,000-won banknotes from the Okchon mint of the Security Printing and Minting Corp. has turned out to be one of the mint's female employees, an official at the prosecution here said Friday.

A preliminary investigation has revealed that Hwang Kyong-sun, 23, of Taejon took 10 100-sheet bundles in the printing office of the mint at around 5:30 pm May 31.

The official said a Taejon Inn proprietor's tipping had led to the arrest of Hwang at the mint Friday.

The proprietor found some banknotes bearing the serial numbers of those bills missing among the cash Hwang paid for the room of his inn she had been sharing with her boyfriend since last March, the official said.

The police have so far retrieved 20 of the 1,000 sheets stolen.

Indonesia

Editorial Urges Restructuring United Nations

BK1406140495 Jakarta SUARA KARYA in Indonesian 14 Jun 95 p 5

[Editorial: "The Restructuring of the United Nations"]

[FBIS Translated Text] The United Nations will be 50 years old next October. However, the organizational structure of the United Nations has never changed, although the world is now very different from what it was at the end of the Second World War.

The structure of an organization reflects its functions and objectives, while the functions and objectives are frequently very much determined by the situation at the time of its establishment. If the objectives are no longer relevant to the prevailing situation, the raison d'etre [preceding three words in French] of the organization needs to be questioned. If the objectives remain relevant, we will have to study whether the organizational structure remains relevant to the prevailing situation. It would not be impossible that the structure could become an obstacle in the realization of the original objectives.

Article 1 of the UN Charter says that the purposes of the United Nations are: 1. to maintain international peace and security, and to that end, to take effective collective measures for the prevention and removal of threats to the peace and for the suppression of acts of aggression or other breaches of the peace... 2. to develop friendly relations among nations based on respect for the principle of equal rights and self-determination of peoples...

Based on the purposes, we need to study whether the United Nations, especially the UN Security Council is able to function optimally to achieve the purposes under the present circumstances.

The UN Security Council has 15 members — 10 nonpermanent members and 5 permanent members, which enjoy veto rights. Fifty years ago, the five victors (the United States, France, Britain, China, and the Soviet Union) were in fact powers capable of maintaining international peace and security. However, countries which were originally regarded as threats to world peace, especially Germany and Japan, have become powers in development. They, too, need to be responsible for maintaining world peace. Countries such as India and Indonesia, which have populations over 175 million, need to be considered as permanent members of the UN Security Council. However, this will not yet be fair nor enough to enable the United Nations to maintain peace, because many physical conflicts are taking place in Africa and Latin America. Thus, the most populous countries in Africa and Latin America respectively should also become permanent members. Thus, the UN Security Council should have at least 11 permanent members. This is President Suharto's proposal on the UN Security Council.

The veto rights of the five permanent members of the UN Security Council have become even a more complicated problem. Fifty years ago, the five victors were in fact powers capable of maintaining world peace. The veto rights or prerogatives were understandable under those circumstances. However, the veto rights can hamper the original purposes of the United Nations now that the Cold War has ended and the United States has emerged as the single superpower. The United States can now impose its will on others and harm world peace due to its current position and veto right. The U.S. veto of a draft UN Security Council resolution condemning the Israeli annexation of land in East Jerusalem is an example. The original objectives of the United Nations are to maintain world peace and develop a democratic world order. However, it could instead consolidate the single superpower's domination of the world community under its present structure.

Accordingly, President Suharto instructed Foreign Affairs Minister Ali Alatas and Prof. Dr. Emil Salim, a high-level adviser to the UN Secretary general, to strive for the acceptance of the proposal on the restructuring of the UN Security Council.

Editorial on Australian Press Espionage Reports

BK1406133095 Jakarta BISNIS INDONESIA in Indonesian 3 Jun 95 p 5

[Editorial: "Cornering Paul Keating"]

[FBIS Translated Text] Prime Minister Paul Keating is trying to bring his country closer to Asia. The Asia-Pacific Economic Cooperation and ASEAN Regional Forum have become "vehicles" to bring Canberra closer to its neighbors to the north. These efforts have succeeded. This success has been undermined, however, by Australian media reports on the behavior of its intelligence agency.

The Australian Security Intelligence Service [ASIS] is reported to have bugged a number of foreign embassies in Canberra, including the Indonesian Embassy, situated in the Yaralumla area. The bugging activities were conducted in cooperation with the U.S. Government.

In an interview with ABC [Australian Broadcasting Corporation] television, Foreign Affairs Minister Gareth Evans admitted that the ASIS activities were approved by the Department of Foreign Affairs. He declined, however, to say whether the foreign embassies were bugged with his consent.

Information gathering through legal or illegal means is part of the duty of diplomats and government officials in general. These activities have become very important in the current era of confusion. Their scope covers not only business, technology, and trade but also defense policies. Possible causes of conflict also remain very high.

Through the press, Foreign Affairs Minister Ali Alatas responded very appropriately on this matter. The reply did not strain relations with Australia in general and disappointed those who wanted to see Jakarta-Canberra relations strained. Nevertheless, we believe the Australian Government will understand what is implied by the Indonesian stand.

The case showed how free the Australian press is, regardless of the country's national interests. The press is difficult to touch, regardless of how angry the Prime Minister's Office may be. We believe the Australian people will become fed up to a certain extent and will frown upon such tendentious reports. The press will be ignored if it continues to undermine broader interests.

Indonesia and Australia must continue to develop relations in all fields as well as expand personal contacts between officials, private entrepreneurs, academics, and journalists. If mutual understanding is enhanced, relations between the two countries will not be shaken by issues that are often reported in a timely manner. Our overall relations will not be undermined by tendentious issues.

Suharto Endorses Increased Investment by Germany

BK1406140695 Jakarta SUARA KARYA in Indonesian 14 Jun 95 p 4

[FBIS Translated Excerpt] Jakarta (SUARA KARYA) — German industrialists have expressed their desire to invest in the establishment of container ports in Indonesia. Germany's Baden-Wurttemberg Prime Minister Erwin Teufel stated this in connection with an offer made by President Suharto at Bina Graha Palace in Jakarta on Tuesday.

In that meeting, President Suharto offered German industrialists opportunities to invest in Indonesia. Currently, three opportunities exist for investment: in energy, the telecommunications sectors, and the establishment of ports, particularly container ports.

Prime Minister Erwin Teufel said Germany definitely desires to establish container ports [in Indonesia]. According to Prime Minister Teufel, nothing was discussed between him and President Suharto during the meeting concerning the size, amount of investment, and location of such ports.

President Suharto, who was accompanied by Trade and Industry Minister Hartarto, was upbeat because of Germany's willingness to participate in the establishment of the container ports.

Talking the opportunity, President Suharto also endorsed the setting up of a German House, which will assist Germany's small- and medium-scale entrepreneurs to participate in Indonesia. The German small- and medium-scale entrepreneurs are currently reluctant to participate in business activities in Indonesia because of the lack of relevant support.

The German House will provide information to their entrepreneurs regarding investment opportunities. A similar German House has already been set up in Yokohama, Japan. Three more German Houses will be established in Singapore, Seoul, and Hanoi after the center in Indonesia has been set up. Prime Minister Teufel, who was accompanied by Rudolf Bohmler, Baden-Wurttemberg's director general/minister for international relations, and the German Ambassador to Indonesia Dr. H. Seemann, made the statement after meeting President Suharto. [passage omitted]

Suharto Not 'Unduly Worried' About Foreign Loans

BK1606065195 Jakarta ANTARA in Indonesian 1002 GMT 14 Jun 95

[FBIS Translated Excerpt] Jakarta, 14 June (ANTARA) — President Suharto has acknowledged that the country's foreign loans amounted to about U.S.$100 billion and has urged the people not to be unduly worried because the loans have not been used wastefully.

Speaking at Bina Graha Palace on Wednesday, President Suharto said: "Some people have tried to make an issue out of this by stating that our foreign loans have reached U.S.$100 billion, out of which U.S.$60 billion was taken out by the government while the remainder, about U.S.$40 billion, was taken out by the private sector."

Giving his explanation when receiving 11 ministers and a number of governors, the head of state emphasized that the loans taken will be dedicated totally to increasing the national assets. Therefore, the people should not be unduly worried that the national economy will suffer an undesirable fate similiar to that suffered by some countries, such as Mexico.

The president said, Indonesia is capable of repaying or even settling the loans by selling off its state-owned resources or industries. However, there was no dire necessity to embark on such a measure.

The current assets owned by state-owned agencies amounted to about 358 trillion rupiah or approximately U.S.$179 billion, which is in excess of the country's foreign loans. On the other hand, the industrialists themselves also have enormous assets.

The head of state said: "Why should we settle the loans once and for all?"

On this, the president has repeatedly said: "We have no cause to be unduly worried."

Referring to the high-ranking officials, the president reminded them that decisions made by the government should be carried out in accordance with the 1945 Constitution, particularly in accordance with Article 33.

The Constitution, among other things, stated that the government commands authority over the people's well-being and existence.

The president said: "Whatever decisions we take, they should not run counter to Article 33 [of the Constitution]. [passage omitted]

Thailand

Ministry To Study New U.S. Tax on Pineapple

BK1506162795 Bangkok PHUCHATKAN in Thai 15 Jun 95 p 5

[FBIS Translated Text] Government House - Deputy Prime Minister Dr. Suphachai Phanitchaphak disclosed that the International Economic Relations Committee [IERC] discussed during its meeting on 14 June the U.S. decision to impose an antidumping tariff on Thai canned pineapple and agreed that the new tax rates are rather high and unfair to the Thai product.

Therefore, the IERC assigned the Ministry of Foreign Affairs to find out if the same U.S. import duties are also imposed on similar products from other countries that are considered as Thailand's competitors such as Indonesia and the Philippines.

The ministry was also instructed to investigate whether or not the same rates applied to U.S. companies operating in Thailand.

Dr. Suphachai said that the United States knows that the production cost of Thai canned pineapple is very low, but he does not understand why the Thai product has to be taxed so much.

However, the U.S. side will review this matter in the next two months and impose the high tax on Thai canned pineapple if it can prove Thailand is engaged in dumping.

Thailand will raise this issue during any trade negotiations with the United States in the future because the measure could have a serious impact on Thai exports to that country.

The import duties to be applied to Thai companies are as follows: 55.77 percent for the Siam Agroindustrial Pineapple Company (Sico); 43.48 percent for the Mali Samphran Public Company Limited; 36.68 percent for the Thai Pineapple Company Limited (Public Company); 2.36 percent for the Dole Thailand Company; and 25.76 percent for other companies.

Meanwhile the U.S. importers are now waiting to see the ruling of the International Trade Committee (ITC), which will come out at the end of this month. If the ITC rules that Thailand practices dumping of goods, the Thai canned pineapple companies will have to pay the import tax rates as announced by the U.S. Commerce Department. If Thailand is not guilty, the announcement will be nullified.

The IERC also discussed the question of the Phaisan Insurance Company during the same meeting and assigned the Commerce Ministry to work on amending the General Insurance Act BE 2535 to prevent any conflicts with the Thai-U.S. Treaty of Amity.

Dr. Suphachai said that the Ministry of Foreign Affairs had been assigned to inform the United States that the amendment of the law will be delayed pending the formation of the new government.

Other topics brought up for consideration during the IERC meeting included the auto parts production scheme, trade liberalization, investment within the APEC framework, and the impact of the enforcement of the U.S. Farm Bill, which is now being studied by the Commerce Ministry and the Agriculture and Cooperatives Ministry.

Increasing Economic Ties With DPRK Discussed

BK1606020495 Bangkok Radio Thailand Network in English 0000 GMT 15 Jun 95

[FBIS Transcribed Text] Thailand has offered itself as an international repayment center for North Korea. The offer was made by a high level Thai delegation during its recent visit to North Korea for talks on trade cooperation. North Korea expressed interest in undertaking joint ventures with Thailand in ginseng, zinc, and lead production. Thai business people were urged to invest in a free trade area in North Korea. To increase bilateral trade, both Thailand and North Korea agreed to constantly exchange trade information and consider adopting the countertrade system to promote bilateral trade.

Meanwhile, the Ministry of Foreign Affairs reported that a three-day meeting between ASEAN and South

Korea held recently in Seoul had agreed to set up an ASEAN information, cultural, and tourism promotion center. The center, to be established in Seoul, will symbolize relations between ASEAN and the Republic of Korea. The next ASEAN-Republic of Korea meeting is scheduled to be held in Manila, the Philippines, in 1997.

French Nuclear Decision 'Dangerous Thinking'

BK1606062195 Bangkok THE NATION in English 16 Jun 95 p a4

[Editorial: "France Sends a Dangerous Message to the World"]

[FBIS Transcribed Text] Over the past 48 hours there has been international outcry over France's decision to resume nuclear testing. Some of France's closest allies and other nuclear powers have condemned the move. Nevertheless, Paris said the underground tests in the South Pacific will go ahead from September onwards.

Hours after French President Jacques Chirac announced his decision on Tuesday, Japanese Foreign Minister Yohei Kono told his French counterpart by telephone that the decision "betrayed" the trust of non-nuclear states.

U.S. President Bill Clinton and Chirac met in Washington yesterday, and not surprisingly Bosnia and the rapid reaction force were making the headlines there rather than the French testing. There's nothing unusual about this because the U.S. has long tolerated France over the nuclear issue, bearing in mind that France is the third nuclear power in the world and also has vetoing power in the UN Security Council. Clinton, of course, will bring up the resumption of French testing with Chirac but in a private capacity, so as not to jeopardize French-U.S. ties.

Domestically, the French have retained a position that is quite disproportionate with the end of the Cold War. They seem to think that it is their right to have weapons of mass destruction, while at the same time favoring a complete test ban treaty. It is a totally illogical position taken by the French government, which is defying world opinion for domestic political advantage.

The French political psyche is indeed difficult to understand. An arrogant leader, willing to take on the world, is always needed in the country to drum up nationalistic fervor. No doubt, Chirac's decision was a calculated act of disrespect for the rights of the people in the South Pacific.

So what's the big deal about the indefinite extension of the Nuclear Non-Proliferation Treaty [NPT] at the UN recently, if the nuclear powers themselves are openly flouting what they had agreed to in New York?

Most Asian nations were against the indefinite extension of the NPT, believing that if there was a finite term, it would exert some pressure on the nuclear powers towards disarmament. But the nuclear powers in turn exerted tremendous diplomatic pressure on these nations, so much so that in the end the indefinite extension of the NPT was passed unanimously. It now seems that the world has not much of a choice but to snuggle up to the nuclear club.

President Chirac has tried to assure the world that France would abide by the complete test ban treaty a year after carrying out its underground tests in the South Pacific. But can they be trusted to keep their promise?

France signed a treaty with New Zealand in 1985 allowing the Rainbow Warrior, a ship of the environmental group Greenpeace, free access to the South Pacific to monitor its nuclear testing. With that, Paris gave its word over the nuclear testing moratorium, only to breach it later. French secret agents then blew up the Rainbow Warrior in Auckland Harbor.

So what action can be taken against this French intransigence?

For one, all nations of the world can halt any form of military cooperation with France until it ceases all forms of nuclear testing. The harsh fact now is that France is a security threat to the world.

Rather unfortunately in international law there is no legal recourse against the French action in the South Pacific. France was taken to the World Court in The Hague by Australia and New Zealand in the 1970s over its nuclear testing in the Pacific. Being cornered, it withdrew its recognition of the World Court as a forum for dispute resolution.

At a time when the world is striving hard for peace, France is sending a dangerous message to countries which are toying with the idea of developing nuclear weapons themselves. A bad example has been set because renegade nations are now seeing a nuclear weapons- holding state openly flouting international concern.

France's actions will certainly not augur well for international efforts to rein in North Korea, and for that reason Japan has every reason to be concerned.

Also, if a signatory to the NPT can openly disregard the treaty, can the international community justify its actions against non- signatories like India and Pakistan, which have openly declared their nuclear ambitions?

The French have shown that if a country is big and strong enough, it can do things its own way. In the post-Cold War world, however, this is dangerous thinking.

Country Informs IMF of Steps To Curb Deficit

BK1606060495 Bangkok BUSINESS DAY in English 15 Jun 95 p 1

[FBIS Transcribed Text] Thailand has officially notified the International Monetary Fund (IMF) of the steps taken to correct the country's current account deficit, according to Finance Minister Tharin Nimmanhemin.

He said that in response to the IMF recommendation that Thailand take urgent steps to improve the deficit situation to maintain long- term stability, committee had been charged with solving the problem within seven years.

He added that he would consult with Bank of Thailand Governor Wichit Suphinit regarding the IMF's concerns that Thailand has had excessive "technical" account deficits to clarify which "technical areas" needed to be addressed.

However, he said the service account should receive the most attention.

According to a Finance Ministry source, Somchai Richuphan, director general of the fiscal policy office (FPO), who was assigned to represent Thailand at the World Trade Organization (WTO) Talks in Geneva, has reportedly canceled his trip in order to chair the first meeting of the current account deficit action committee.

He is believed to have assigned Choetchai Khannapha, director of the FPO's monetary and financial institution division, to attend the WTO meeting on his behalf.

According to the Finance Ministry source, the ministry is still confident of reaching the 8 percent growth target. The inflation rate is still expected to be in the range of 4.8 to 5.2 percent. The growth of the export-to-import ratio is expected to be 24 percent, as imports have grown at rates about 20 per cent lower than exports.

It was also reported that the Finance Ministry did not expect US financial authorities to lower its benchmark interest rate by more than 0.25 percentage point.

Entry of Foreign Insurance Firms Considered

BK1506162595 Bangkok BANGKOK POST in English 15 Jun 95 p 28

[FBIS Transcribed Text] After years of debate over its status, it appears that Universal Insurance Co may finally be allowed to open branches in Thailand.

The Committee on Foreign Economic Policy yesterday agreed that the 1992 General Insurance Act should be amended to put foreign insurance firms on a level playing field with local ones.

Universal has been a test case — and the subject of occasional Thai-US friction — because it is 99.84 percent owned by Americans. However, the non-life insurer was founded in 1952 by Thais and is also known as Phaisan Insurance.

Firms deemed to be foreign — as Universal was by the Council of State — are prohibited from opening branches under the law as it currently stands.

Deputy Prime Minister Suphachai Phanitchphak said the Commerce Ministry would be in charge of amending the law, although he cautioned that this could take some time. The Foreign Affairs Ministry will brief US officials on progress in this regard.

In another development yesterday, Commerce Minister Uthai Phimchaichon said that no new licences would be issued to life- and non-life insurance companies before September at the earliest.

"I can affirm that approvals will not be made for early applicants while I am still in charge of the ministry," he said.

Chare Chutharattanakun, Commerce permanent secretary, said the ministry would accept applications from potential new operators for another 90 days. After that it would consider the proposals of all applicants.

Among the early licence applicants are Alpha Life Insurance, Alpha International Insurance, and an affiliate of the Charoen Phokkaphan group.

Applicants must post a cash guarantee equal to at least 5 percent of their registered capital. They must also register their new company within 30 days of receiving approval.

The minimum registered capital for a life-insurance company is 500 million baht and 300 million baht for non-life company.

Comments on Illicit Crossings Into Burma

BK1606021595 Bangkok BANGKOK POST in English 15 Jun 95 p 8

[FBIS Transcribed Text] Chiang Rai — People are still crossing into Burma via checkpoints which the provincial authorities have closed for security reasons, Deputy Interior Minister Phairot Losunthon said yesterday.

He said the president of the Chiang Rai Chamber of Commerce has informed him of the illegal crossings and he has asked the authorities to enforce the closure order more strictly.

Mr Phairot was speaking after inspecting the Thai-Burmese border at Mae Sai District, including the temporary checkpoint at Ban Muang Daeng which was closed after the fighting between Burmese government troops and Khun Sa's Mong Tai Army.

All border checkpoints in the province have remained closed, despite the fact that the situation in Burma has returned to normal.

Mr Phairot acknowledged that the closure of the checkpoint at Mae Sai, across the border from Tachilek, had caused losses of at least two billion baht.

Vietnam

Progress in Normalizing U.S. Relations Cited

U.S. Said Considering Full Ties

BK1606105695 Hanoi Voice of Vietnam in English 1000 GMT 16 Jun 95

[FBIS Transcribed Text] President Bill Clinton on Wednesday said he was considering establishing full diplomatic relations with Vietnam. He said Hanoi has been quite forthcoming in helping account for missing American servicemen.

He said he had discussed the issue with several members of Congress who served in Vietnam, including former prisoner-of-war, Senator John McCain, and indicated that a decision would be made soon pending an analysis of a new batch of documents on prisoners of war and soldiers missing in action supplied by Hanoi.

Clinton Remarks Reported

BK1506113595 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 15 Jun 95

[FBIS Translated Text] During a news conference following his talks with French President Jacques Chirac in Washington yesterday, U.S. President Bill Clinton said he has not made a decision on establishing full diplomatic relations with Vietnam. He indicated, however, that he would decide on this issue soon. President Clinton said that U.S. experts are studying documents provided by Vietnam on Americans missing in action. Once this work is completed he will make his appraisal public. The U.S. President recalled that he has discussed this issue with congressmen who support the establishment of full diplomatic relations with Vietnam, including Senators John McCain and John Kerry.

Spokesperson on Normalization

BK1506122995 Hong Kong AFP in English 1212 GMT 15 Jun 95

[FBIS Transcribed Text] Hanoi, June 15 (AFP) — Vietnam will work to boost cooperation with the United States even if there is no move to normalise relations before the next presidential elections, an official said Thursday.

Foreign Ministry spokeswoman Ho The Lan described as "positive" reports that Secretary of State Warren Christopher had recommended that President Bill Clinton establish full diplomatic ties with Vietnam.

Asked if Vietnam would continue trying to broaden its contact with the United States even if relations were not established before the presidential elections in November 1996, Lan said cooperation would continue nevertheless.

"During the past years contacts between the two sides have increased and cooperation broadened. This is a trend that will not be changed," she said at a news conference.

Vietnam has been eager to reassure those opposed to normalisation that it will continue its cooperation in accounting for American servicemen listed as missing in action (MIA) from the war.

Clinton said Wednesday he had made no decision on normalising ties, adding that Vietnam had been "quite forthcoming" in its assistance on the MIA issue.

Several US politicians visiting Hanoi have said that unless normalisation was carried out in the next few months it risked getting caught up in campaigning for the presidential elections.

Asked about recent accusations by former congressman Billy Hendon that Vietnam was still holding prisoners of war in an underground jail northwest of Hanoi, Lan said only: "There is no underground prison in Vietnam."

Hendon recently staged a protest in Hanoi, chaining himself to the gates of the US MIA office and holding a brief hunger strike to demand that US officials visit the site.

So far US officials have not received an answer to a request to visit the area where Hendon says Vietnam is holding POWs, a charge that Hanoi has vigorously denied.

Lan did not answer a question on whether Vietnam would refuse Hendon a visa in the future, saying only that he had carried out "anti-order activities" and had not had his transit visa extended.

[Hong Kong AFP in English at 0943 GMT on 15 June in a Hanoi-datelined report adds: "Vietnam said Thursday it regretted the decision by French President Jacques Chirac to resume nuclear testing in the South Pacific. 'It is regrettable that three months after the conference for the Non Proliferation Treaty that a decision has been taken to carry out nuclear testing,' Foreign Ministry spokeswoman Ho The Lan said at a news conference. Vietnam's wanted to see 'a comprehensive and complete disarmament,' Lan said, adding that this was a wish of most non-nuclear countries."]

'Positive' Progress in Relations

BK1606074895 Hanoi VNA in English
0716 GMT 16 Jun 95

[FBIS Transcribed Text] Hanoi VNA June 16 — The current development in the relations between Vietnam and the United States is positive and in line with the common trend of peace and development around the world, Foreign Ministry Spokeswoman Ho The Lan told a press conference here yesterday.

This is in conformity with the interests of the US and Vietnam as well as peace and stability in the region, Ms Lan said, referring to US Secretary of State Christopher's recent recommendation to President Bill Clinton to consider the establishment of full diplomatic relations with Vietnam.

When asked whether Vietnam will pay less attention to the issue, or decrease the number of talks with the US, if the normalization of relations with Vietnam is not made this year, Mrs Lan made it clear that over the past years, despite the fact that Vietnamese-US relations have not been normalized, both sides have increased their bilateral contacts and expanded their cooperation in various fields, helping to improve the two countries' relations.

Regarding France's decision to resume nuclear tests in the Pacific, the spokeswomen reiterated Vietnam's desire to see a comprehensive and total disarmament of nuclear weapons fully implemented, and to see a world free of nuclear weapons and other weapons of mass destruction.

Reaction to French Nuclear Test Decision Cited

BK1606110895 Hanoi Voice of Vietnam in English
1000 GMT 16 Jun 95

[FBIS Transcribed Text] The French president's statement of 13 June on the resumption of eight nuclear tests in South Pacific from September 1995 to May 1996 has caused a wave of strong protests.

On 14 June, at a meeting with French President Jacques Chirac, U.S. President Bill Clinton expressed despair at France's decision. However, the U.S. Administration hoped that France would reconsider a ban on all nuclear testings by 1996.

Russian expressed regret at France's decision while Japan said France betrayed the confidence of nonnuclear weapons countries.

Australia and New Zealand suspended military relations with Paris.

In recent days, the Governments of Peru, Chile, and politicians in some Asian and African countries voiced their protests against this decision by the French president. Philippine President Fidel Ramos said the decision would only encourage the production of nuclear weapons, doing harm to the peaceful environment. Indonesian diplomatic office in Jakarta pointed it out that with this decision, France is against the resolution of the conference on non-nuclear proliferation treaty of the United Nations. Prime Minister of Western Samoa Tofilau said he felt despair on the decision to resume nuclear testing by France. For his part, Fiji Prime Minister Sitiveni Rabuka said if France continues to carry out its decision, Fiji would reconsider its participation in the South Pacific Sports Games to be held in Tahiti, Polynesia — a colony of France — in next August.

Environmentalists in Europe, politicians from the Green Party and antinuclear groups have protested against France's decision. On 15 June, the Green Peace Group started to send their ship Rain Bow Warrior from Oakland to the site where France would resume its nuclear testing in Moroa to protest the testing.

French newspapers pointed to tension in the diplomatic relations caused by the decision by President Jacques Chirac. The paper L'HUMANITE said that the decision is against France's interest and it wasted billions of francs.

At a regular press conference of Vietnamese Foreign Ministry in Hanoi on 15 June, a spokesman for the Vietnamese Foreign Ministry said: It is regret to learn that following the agreement of the conference on extension of the nonnuclear proliferation treaty [as heard], there is such a decision on nuclear testing. Vietnam desires to implement complete nuclear disarmament, advancing toward a world without nuclear and lethal weapons. This is the wish of many countries, particularly nonnuclear countries.

Netherlands Prime Minister Concludes Visit

BK1506154995 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 14 Jun 95

[FBIS Translated Text] Yesterday morning [14 June], Nertherlands Prime Minister Wim Kok and the distinguished Netherlands guests left Hanoi, concluding their successful official friendship visit to Vietnam.

On behalf of Prime Minister Vo Van Kiet and his wife, Forestry Minister Nguyen Quang Ha chaired the farewell ceremony for Prime Minister Wim Kok and his entourage at the Government Guest House in Hanoi. Also attending the ceremony were Deputy Foreign Minister Nguyen Dy Nien and other high ranking government officials.

Before his departure, Prime Minister Wim Kok thanked the Vietnamese Government and people for the warm welcome and hospitality they had extended to him and his delegation. He said his visit had been short but successful. The Netherlands Prime Minister hoped that from now on the two governments would seriously implement the agreements signed in Hanoi. He said that meetings between Netherlands and Vietnamese businessmen were also very successful. He also hoped that he would be able to welcome Vietnamese state leaders to the Netherlands.

Minister Nguyen Quang Ha wished Prime Minister Wim Kok, his wife, and the distinguished Netherlands guests good health on their trip home. He asserted that the Vietnamese people will do their best to strengthen and develop the relations of friendship and cooperation between the two countries.

Law, Education Delegations Visit Germany, Burma

BK1606055095 Hanoi VNA in English 0635 GMT 15 Jun 95

["External Relations Promoted" — VNA headline]

[FBIS Transcribed Text] Hanoi VNA June 15 — A delegation of the Vietnamese National Assembly's Law Commission led by its Deputy Head Nguyen Van Yen has paid a working visit to Germany.

The Vietnamese delegation worked with the chairman of the Bundestag's Law Commission, the state minister of justice, and the president of the Parliamentarians' Group for Friendship with Asian Countries. They exchanged legal experience with a number of parliamentarians and senior officials of the Law Commission and related units of the Bundestag.

— A delegation of the Education and Training Ministry led by Minister Tran Hong Quan paid a working visit to Myanmar [Burma] from May 24-31. Minister Tran Hong Quan and Myanmar's Education Minister U Pan Aung signed a memorandum of understanding on bilateral educational cooperation.

Under the document, the two ministries will increase exchanges of documents, educational printing material and personnel training. They will also promote bilateral cooperation between colleges and research institutes and exchange visits of students and scientists, especially on educational management, teacher training and language teaching.

Reporting on Foreign Ministry News Conference

BK1506151395 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 15 Jun 95

[FBIS Translated Text] This afternoon, 14 June [date as heard], the Ministry of Foreign Affairs [MFA] held its sixth regular news conference in Hanoi. The conference was meant to review developments in the first six months of the year. MFA Spokeswoman Mrs. Ho The Lan reviewed Vietnam's major foreign affairs activities in the past; that is, continuing to implement a foreign policy of openness and readiness to cooperate with all nations for peace and development. These foreign affairs activities have occurred in all regions of the world. They have achieved positive results and created a foundation for Vietnam's integration into the world community.

When mentioning recent developments in the Eastern Sea [South China Sea], Mrs. Ho The Lan repeated Vietnam's unchanged conception and principle [quan dieemr va phuowng chaam] of striving to maintain peace and stability. All disputes should be solved through peaceful negotiations. While calling for talks for a longterm solution, the status quo should be maintained and all concerned parties should refrain from using force or threatening to use force or engaging in activities that may complicate the situation.

Mrs. Ho The Lan also answered many questions from foreign and Vietnamese journalists.

Doan Khue on Party Inspection Activities

BK1606080695 Hanoi QUAN DOI NHAN DAN in Vietnamese 1 Jun 95 pp 1, 3

[Speech by Senior General Doan Khue, member of the Political Bureau, deputy secretary of the Central Committee Military Commission, and minister of national defense, at a "conference held by the Central Committee Military Commission Inspection Committee from 29 to 31 May to review the party inspection activities of military party organizations"; place, date not given]

[FBIS Translated Text] Since the seventh party congress, the international and regional political situation has continued to develop in a complex fashion. Hostile forces continue to oppose and sabotage us fiercely in various areas, using many sophisticated and perfidious tricks aimed at eradicating socialism and eliminating the ruling role of the Communist Party of Vietnam.

Faced with this situation, our party has adopted various leadership policies and measures and has firmly adhered to the goal and the socialist path chosen by the party, Uncle Ho, and our people. The comprehensive renovation process initiated by our party has produced many great and very important results. These are creating the basis for us to shift our country gradually to a new stage of development in the advance toward national industrialization and modernization.

The party Central Committee's third plenum resolution says: "The revolutionary task in the new stage requires our party to renovate itself urgently. This is a particularly important and urgent task of decisive significance for the entire cause of national construction and defense as well as the destiny of our regime and our party..."

Party inspection is one of primary leadership functions and an important component of the entire party building task. It is also an effective measure of the organization of work implementation; without inspection, leadership efforts will become ineffective.

Over the past four years, party committee echelons and inspection committees at various levels have carried out inspections in accordance with party rules and Directive 195 of the party Central Committee's Standing Military Commission on the inspection of military party organizations. In doing so they have firmly grasped the party Central Committee's third plenum resolution and Resolution 79 of the party Central Committee Military Commission on the need to renovate and rectify the party in terms of party inspection. While carrying out their activities, inspection committees at various levels have adhered to the Army's political task, the party building task, the various resolutions of the party committees concerned, and the political task of each particular unit. Various aspects of inspection activities have been deployed in a harmonious and extensive fashion and satisfactory results have been achieved. This has contributed to cultivating party organizations and building a contingent of steadfast and clean party members.

Led by the party committees concerned, and thanks to the maintenance of close and dynamic cooperation with various relevant organs, inspection committees at various levels have contributed over the past four years to maintaining the party's ruling principles. The principles specifically contributed to are the principle of democratic centralism in the party; consolidating and strengthening internal unity; and resolving more satisfactorily the relations between leadership and command, between party members and non-party members, and between higher and lower echelons. They have helped build a contingent of party cadres and members and many clean and steadfast party organizations in accordance with the party Central Committee's third plenum resolution and Resolution 79 of the party Central Committee Military Commission on party renovation and rectification. They have also contributed to improving the political leadership skills and militancy of various party organizations. They have promoted the fulfillment of political tasks among military units and have brought about a change for the better in the enforcement of party discipline and state laws. Generally speaking, it is a welcome fact that, despite the complicated and changing international situation, sabotage activities by hostile forces, and difficulties encountered by the country, party committees and inspection committees at various levels and the contingent of party cadres and members have demonstrated their steadfastness and their determination in the struggle against negativism. They have shown a high sense of responsibility in the implementation of their assigned duties and have helped maintain the revolutionary qualities and ethics of party members. On behalf of the party Central Committee's Military Standing Commission, I heartily commend the various party committees, inspection committees at various levels, and party cadres and members for their inspection efforts.

Much has been achieved thanks to the inspection efforts of various party committees and of many inspection committees at various levels in the military party hierarchy. This is welcome and praiseworthy, but judging from the inspection of various organizations and party members in the military party hierarchy, some issues still exist that are worth noting:

— The enforcement of organizational principles for party activities, notably the principle of democratic centralism, has not been carried out in a scrupulous fashion. In certain areas, there are still indications of violations, a lack of democracy, and/or a state of ostensible or extremist democracy. It can be said that working relations between the party committees and standing committees concerned have not been resolved satisfactorily. This is why there are indications of overlapping leadership activities between party committees and standing committees. Indications of varying degrees of internal disunity continue to occur and have been allowed to drag on in certain areas without any prompt efforts to avert them, thus adversely affecting the leadership of the party committees concerned.

— Various party committees have established general and specific leadership regulations for certain essential work areas, but work implementation is usually organized in an untidy, simplistic, and uncontrolled fashion that is conducive to violations of regulations.

— Although they have received various resolutions from the relevant party committees along with comprehensive and practical guidance, many localities have failed to devise promptly the policies and strict measures to carry them out. In maintaining the quality and lifestyle of party members, there have been many violations such as abusing positions to misappropriate public property and militarist behavior.

— The sense of militancy is very limited as seen in the activities of various party chapters and party committees. The phenomena of treating people with indulgence is still very common. This is carried out in accordance with the motto: If you are flexible to me, I will be flexible to you. Efforts have not been made to prevent undesirable incidents from occurring and to resolve incidents in a timely and once-and-for-all fashion.

Viewed from a leadership angle, responsibility for the varying degrees of weakness shown by various party organizations rests mainly with the party committees and the unit commanders concerned as well as with the organs in charge of building the party politically, ideologically, and organizationally.

In order to overcome these difficulties gradually, every party organization must review its party renovation and rectification efforts in a general inspection review drive. It is necessary to appraise every single party member and party organization to devise effective countermeasures.

It is essential to say that 1995 is the pivotal year for the revolutionary cause of our party and people. During the year we commemorate various major anniversaries, implement many important resolutions of the party Central Committee, and make preparations for the eighth national party congress — a major event in the political life of our party and people. Currently, the socioeconomic situation is developing in our favor, yet numerous difficulties and ordeals are still prevalent. The various situations in the world and the region are still complicated while hostile forces continue their wicked, meticulous, and perfidious schemes in an attempt to weaken and overthrow socialism in our country in the days ahead. Facing this situation, our Armed Forces and people must bring our strength into full play, strive to overcome difficulties, firmly maintain national defense and security tasks, and thoroughly study and firmly grasp the various guiding thoughts, policies, and measures set by the party Central Committee's third plenum and the midterm national party congress. This would be to affect notable changes for the better in various domains and to satisfactorily fulfill all the assigned tasks. To ensure the best results for the inspection work and the party and political task from now to the eighth national party congress, we must strive to firmly grasp and satisfactorily carry out the following tasks:

1. Strengthen the inspection work in the direction of serving the renovation undertaking and party revamping. Efforts must be immediately made to satisfactorily organize party organization congresses at various echelons in anticipation of the all-Army party congress and the eighth national party congress. We must firmly grasp the work guidance provided by various echelons of inspection committees to improve the quality of our tasks. To achieve this, we must enhance the capability of party committee members and cadres at various levels, especially those who hold key positions, while striving to revamp party organizations at the lower and grass-roots levels. Various echelons of party inspection committees, especially that of the Military Commission of the party Central Committee, while carrying out their tasks, should pay special attention to guiding and assisting inspection committees at the lower level, particularly those at the grass-roots units, to satisfactorily carry out their tasks.

2. Efforts must be made to clearly distinguish the inspection authority of party committees and that of party inspection committees. The authority of a party committee is very general. It can directly carry out an inspection or delegate specialized units to help it carry out the work in certain areas. As for the party inspection committee, it must carry out the work specified in the party statutes while implementing tasks assigned by the party committee at the same level. Only by satisfactorily fulfilling this task will we be able to create a combined strength for the party building task in general and for the inspection work in particular, thereby contributing to fulfilling the assigned tasks at various units.

3. Echelons of party inspection committees must coordinate with agencies concerned to act as an effective staff for party committees in the campaign to promote thrift, oppose negativism, and suppress corruption. This is a decisive, arduous, and protracted struggle. Although we are experiencing confusion, uneasiness, and restlessness, we are confident that we will step by step accord notable successes. To achieve this, inspection committees must closely coordinate with other law enforcement agencies to deal with a number of serious law violation cases for admonishment purpose. It is essential for all party committee echelons, starting from the party chapter level, to

seriously implement the party Central Committee Political Bureau's directive No. 15 on suppressing corruption.

4. Regarding the cadre related task, on the basis of the regulation set by the Military Commission of the party Central Committee and the Ministry of National Defense, various echelons of party inspection committees must actively request party committees at their level to provide them with fully competent members and inspection cadres. Those who hold positions as deputy director and who are members of various standing committees should be especially competent. Efforts must be made to foster inspection cadres during the term of the eighth national party congress and after the year 2000 in accordance with the general plan for the cadre related tasks, which is aimed at satisfactorily serving the political task at various units.

5. The conference to review the inspection work during the seventh party national congress' term is a very important event. It appraises the effectiveness and maturity of the inspection work during the past years, thereby drawing on the lessons of experiences to contribute to the success of the upcoming eighth national party congress. I ask all comrades attending this conference to heighten your sense of responsibility to contribute many useful ideas for the success of the conference. After this conference, various echelons of party committees and party inspection committees must — on the basis of the guidances of the Central Inspection Committee of the party Central Committee Military Commission and of the reality at each party organization — strive to formulate a general plan to review tasks at their units. They must also satisfactorily carry out the inspection work.

Nguyen Manh Cam Discusses Mekong Basin Pact

952E0075A Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 7 Apr 95 pp 1, 5

[Article by Hoang Ha - Hoa An]

[FBIS Translated Text] *On 5 April, in Chiang Rai (Thailand), the foreign ministers of Thailand, Laos, Cambodia, and Vietnam formally signed the Agreement on Cooperation for the Sustained Development of the Mekong Basin. On the afternoon of 6 April, immediately after returning to Hanoi, Foreign Minister Nguyen Manh Cam granted an interview to SAIGON GIAI PHONG.*

[SGGP] *Mr. Minister, the question of cooperation for the development of the Mekong Basin has been raised for quite some time, why is it that the agreement on this cooperation was not signed until now?*

[Nguyen] The Mekong Cooperation Commission was set up in 1957. At that time, it involved the South Vietnam administration, Laos, Cambodia, and Thailand. After 1975, under the Pol Pot regime, Cambodia temporarily withdrew from the commission; for that reason, the commission was renamed the Provisional Mekong Commission. In late 1991, Cambodia rejoined the commission. In May 1992, four countries—Thailand, Laos, Cambodia, and Vietnam—resumed exchanging views to move toward signing an agreement on cooperation. After nearly three years of negotiation, in November 1994, the agreement was initialed in Hanoi and formally signed now at the ministerial level. The process of preparing the agreement was a process of both cooperation and struggle. This was to enable each country to protect its interests while preserving the principle of mutual benefit, fairness, and rationality.

[SGGP] *Mr. Minister, what are the contents of the agreement?*

[Nguyen] This agreement mainly lays down the principles governing the use of the water of the Mekong River and its resources in such a way so as to avoid hurting the interests of the countries in the basin, especially those in the lower section, of which Vietnam is at the end of river's course. The agreement makes an effort to ensure that water will be distributed and used in accordance with the following principles: 1. The interests of a second country shall not be affected; 2. Environmental protection shall be ensured; 3. Conditions shall be created for regional cooperation. The agreement also stipulates the establishment of three agencies, namely: The Mekong River Council, the Joint Committee comprising representatives of the four countries, and the Secretariat, which runs the daily activities. All issues concerning the interests of the four countries must be discussed in the Secretariat and the Joint Committee. All major issues must be resolve by the Council. The agreement also deals with cooperation in the fields of fishing, fisheries, hydroelectricity, and tourism.

[SGGP] *Public opinion is keenly interested in the question of transportation on and drawing water from the Mekong River. Please provide us with specific details about this issue.*

[Nguyen] Transportation on the Mekong River is also regulated in accordance with the principle of creating favorable conditions for transportation and, at the same time, respecting the sovereignty of the countries the river runs through. With regard to the question of drawing water, the agreement clearly determines the places where water is to be drawn. In the rainy season, all acts of draining water from the Mekong River must be reported to the other countries in the Joint Committee, and all member countries of the committee must be notified in advance in case one country wants to drain water from the Mekong River into another reservoir. In the dry season, the drawing of water from the Mekong River by any country must have the consent of all other countries in the committee. The drawing of water must be done with caution to ensure that a normal water level is maintained at all time and that the interests of the riverine countries is not affected.

[SGGP] *Minister, could this agreement be regarded as one of the first steps toward subregional cooperation?*

[Nguyen] Obviously, the agreement marks a new step forward in subregional cooperation. The signatories also raised the possibility of the committee being expanded eventually to include the two upstream countries, namely China and Myanmar. China and Myanmar attended the signing ceremony as observers. It can be said that the agreement is a symbol of the cooperation among the countries in the subregion on the basis of the principle of using common resources for the common purposes of these countries and in the interests of each country.

[SGGP] *Mr. Minister, what should be done to put this agreement to practice at once?*

[Nguyen] The common views and Vietnam's are that the first important thing is to elaborate a common regional program of cooperation for development on the basis of the Mekong water source.

[SGGP] *One of the outstanding issues at present is that Thailand very much wants to drain Mekong water into its drought-stricken northeastern region?*

[Nguyen] Concerning the question of drawing water for use in the basin or taking it out of the basin, the agreement stipulates that when any country asks to do so, its request must be submitted to the coordinating committee for consideration. The committee will determine whether such a request is reasonable and whether or not it affects the interests of another country. The mechanism of the agreement ensures that any country wanting to do anything must take into consideration other countries' interests.

[SGGP] *Does the agreement deal with the fact that some Mekong upstream countries intend to transform its flow there, which public opinion believes might affect the downstream water flow?*

[Nguyen] The agreement does take this issue into account. That is why it introduces the mechanisms of the Joint Committee and the Mekong River Council, which will examine all transformation projects at the upstream section of the Mekong River to ensure that they will not hurt the interests of the downstream countries.

[SGGP] *Does the Joint Committee affect those countries in the upstream section of the Mekong River, which have yet to join the agreement?*

[Nguyen] Of course, should an irrationality arise, the committee must strive for common views. Whatever they want to do, those upstream countries that have not yet joined the agreement must take into consideration the interests of the downstream countries, and the downstream countries must express their views as well.

ADB To Continue Providing Financial Assistance

BK1606142595 Hanoi VNA in English
1502 GMT 15 Jun 95

[FBIS Transcribed Text] Hanoi VNA June 15 — The Asian Development Bank [ADB] will provide continued cooperation and financial assistance to Vietnam's projects mutually agreed upon to help it maintain national economic growth and curb inflation, ADB Vice President Bong Suh Lee said today .

At a reception given here this afternoon by Vietnamese prime Minister [PM] Vo Van Kiet, Mr B.S. Lee assured the Vietnamese leader of the fact that ADB has enjoyed more favourable conditions for its cooperation with Vietnam thanks to the country's bold and creative adoption of the economic renovation policy. Since the resumption of relations with Vietnam in 1993, ADB has provided loans worth USD 510 million for Vietnam's projects on agriculture and infrastructure construction, Mr Lee said adding that ADB would grant effective assistance to Vietnam's national economic renovation and reconstruction .

PM Vo Van Kiet, for his part, spoke highly of ADB's cooperation and assistance over the past years. The ADB-funded programmes, he said, have made active contributions to socio-economic development in Vietnam. P.M Kiet expressed wishes for more financial assistance, and experience on economic management and banking from ADB.

Vietsovpetro Applying 'New Techniques'

BK1606103595 Hanoi Voice of Vietnam Network
in Vietnamese 1100 GMT 15 Jun 95

[FBIS Translated Text] The Vietsovpetro joint venture has been applying new techniques to increase oil collection in its oil rigs and improve its oil and gas exploration. Thus, in the first months of this year, Vietsovpetro has been able to stabilize its production at 19,000 tonnes of crude oil per day. It has also discovered a large oil deposit southwest of the Rong [Dragon] Oil Field. This discovery may help increase oil production in the future.

Australia

U.S. Accused of Inconsistent Trade Stance

BK1606073495 Melbourne Radio Australia in English 0500 GMT 16 Jun 95

[FBIS Transcribed Text] Australia has accused the United States of inconsistency in its stance on Japan's import of cars and car parts. Australia's trade minister, Bob McMullan, says the United States is guilty of blocking Australian agricultural imports in the same way it has accused Japan of restricting car imports from America. Senator McMullan says American import barriers have cost Australian agricultural producers alone, at least, $600 million [Australian dollars]. The minister has not ruled out the possibility of Australia raising the issue before the World Trade Organization.

[Begin McMullan recording] Is it asking too much from the United States that they should mirror their views on policy on autos into Japan in respect of sugar to the United States, or for that matter dairy products where access to the U.S. market is also severely constrained. Is it asking too much? I certainly don't think so. [end recording]

Meanwhile, the Queensland Sugar Corporation [QSC] is stepping up its campaign to persuade the United States to change its sugar policies. Ian Keen reports that the corporation is distributing a new booklet in America underlining why its policies should change.

[Begin Keen recording] The QSC is pointing out to the Americans that their sugar prices mean higher prices in their domestic markets. That's led to the big soft drink manufacturers switching to other sweeteners. The corporation says the U.S. policies mean lower prices on world market and that has hit the Australian sugar producers. It says the Farm Bill review provides a chance to introduce market oriented changes which reflect the free trade stance of the U.S.A. [end recording]

Reaction to French Nuclear Tests Reported

Howe Defends 'Firm Stand'

BK1606042895 Melbourne Radio Australia in English 0100 GMT 16 Jun 95

[FBIS Transcribed Text] The deputy prime minister, Brian Howe, has defended the Australian Government's action over the resumption of French nuclear testing in the South Pacific. Australia is freezing military ties with France and will lead a regional protest delegation to Paris.

Mr. Howe denies that the freezing of military links with France is a sign of Australia's reluctance to be tough with the French. He says Australia's reaction is strong and its position will form part of the overall response by the region's nations.

[Begin Howe's recording] This decision has been taken. Australia has taken quite a firm stand. A number of other governments have done something similar. I think the public will be informing themselves on the issue, and as public opposition hostility rose toward the resumption of French testing, I think that has got to have an impact in Paris. [end recording]

French Defense Craft Banned at Mururoa

BK1606064395 Melbourne Radio Australia in English 0500 GMT 16 Jun 95

[FBIS Transcribed Text] Australia is to ban the entry of any French defense ships or planes involved in transporting goods to Mururoa Atoll. The decision has been made in protest against France's decision to resume nuclear testing at Mururoa.

Australia has rejected calls for a similar ban on other French craft, arguing some of them enter into Australia for medical or humanitarian purposes. But Australia's trade minister, Bob McMullan, says defense craft will be banned.

[Begin McMullan recording] Every French defense ship or aeroplane seeking to visit this country will need to give us a guarantee in advance that it is not and will not in any way be involved with the transport of goods to assist in the nuclear test in the Pacific and if they don't give that assurance, they will not be allowed to land nor they will be refuelled or in any other way assisted by Australia. [end recording]

French Envoy: Tests 'Perfectly Safe'

BK1606072495 Melbourne Radio Australia in English 0500 GMT 16 Jun 95

[FBIS Transcribed Text] The French ambassador to Australia says France remains committed to a comprehensive nuclear test ban treaty despite its decision to resume tests in the South Pacific. Ambassador Dominique Girard says France needs to conduct the eight tests planned to safeguard its nuclear arsenal and to ensure it has has an adquate deterrent force.

Mr. Girard has defended France's decision at a media conference in Canberra. He says France is sensitive to the outrage in Australia and the South Pacific, but maintains the tests are perfectly safe.

[Begin Girard recording] The consequences of those tests on the environment are nonexistent and will be nonexistent. My president announced that international experts would be welcome to check on that, to check there will be no consequences on the environment, nor on the people's house. [end recording]

Submarine Firm To Offer Stealth Technology

BK1606054495 Melbourne Radio Australia in English 0500 GMT 15 Jun 95

[FBIS Transcribed Text] The Australian Submarine Corporation has signed a contract with the Defense Department to market so-called stealth technology. The department's defense, science, and technology organization has developed special tiles which can be fit to submarines to reduce detection by enemy sonar. (Hans Orf) from the Submarine Corporation says the technology will now be offered to some overseas navies either as original equipment on new submarines or fitted to existing vessels. (Mr. Orf) says consideration will also be given to fitting the tiles to surface ships.

New Zealand

Reaction to French Nuclear Testing Decision

Defense Contracts 'at Stake'

LD1506162795 Melbourne Radio Australia in English 0700 GMT 15 Jun 95

[FBIS Transcribed Text] New Zealand's defense officials say contracts worth $147 million are at stake in the country's review of defense procurement following the announcement of a freeze on military cooperation with France over its decision to resume nuclear tests in the Pacific. New Zealand Prime Minister Jim Bolger announced the move yesterday. New Zealand's Foreign Minister Don McKinnon said military procurement would be a very tangible area of protest and would probably have more effect on France than it did on New Zealand.

Call To Join Paris Delegation

BK1606091695 Hong Kong AFP in English 0904 GMT 16 Jun 95

[FBIS Transcribed Text] Wellington, June 16 (AFP) — New Zealand was pressing Australia Friday for representation on a South Pacific Forum delegation, which will go to Paris to protest French nuclear testing.

But media outlets here, quoting senior unnamed government officials, say there are fears Canberra is trying to squeeze New Zealand out.

New Zealand has been much more outspoken about the resumption of tests than Australia, which officials here believe is why Australia does not want New Zealand involvement.

The move to send a delegation was announced Thursday by Australian Prime Minister Paul Keating, under mounting domestic pressure for what critics described as an initially "muted" response to the French announcement.

He said the delegation — to meet French Foreign Minister Herve de Charette — would express its opposition "forthrightly and directly".

Australia is the present chair of the Forum and will be succeeded by Papua New Guinea in September.

New Zealand did not appear on a list of delegation members issued Friday in Australia, and Prime Minister Jim Bolger said a formal invitation had yet to be received. The delegation is to be led by Australian Foreign Minister Gareth Evans. Other members include former Forum chair Nauru President Bernard Dowiyogo, secretary- general of the South Pacific Forum Ieremia Tabai, and Papua New Guinea's ambassador in Belgium.

Bolger said he was certain Evans would agree to New Zealand's representation on the delegation and New Zealand would probably send a senior cabinet minister.

"What I've asked is for my foreign minister to talk to the Australian foreign minister, who is leading the delegation, to open up the membership of the delegation," he said.

"We don't think it should just be the present chair of the Forum... the former chair and the future chair. It should in fact be any member of the Forum member countries."

In an unusual statement the leader of the opposition Labour Party, Helen Clark, said Friday she would prefer that the delegation not be led by Evans because he had been too soft. Evans belongs to the sister Australian Labor Party and interparty criticism is rare.

New Zealand is understood to want to include Disarmament Minister Doug Graham in the delegation. Sending Foreign Affairs Minister Don McKinnon is not considered an option because, as deputy prime minister, McKinnon's seniority would be seen as overshadowing that of Evans who is to lead the delegation.

Following a discussion between McKinnon and Evans Friday afternoon, however, a spokesman for the New Zealand Government would say only that the options for New Zealand representation were "still being discussed".

It is understood the government has pressed the Australians on the issue, but an invitation has still not been forthcoming.

The Forum represents 15 South Pacific nations, with New Zealand and Australia the most economically powerful participants.

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